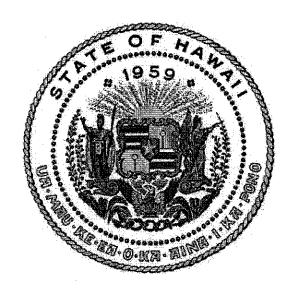
State of Hawaii



The FY 2009 Executive Supplemental Budget

Budget in Brief

Prepared by the Department of Budget and Finance December 2007

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EXECUTIVE CHAMBERS State Capitol Honolulu, Hawaii 96813

GOVERNOR'S MESSAGE TO THE 24TH STATE LEGISLATURE OF HAWAII MEETING IN THE REGULAR SESSION OF 2008

Pursuant to Article VII, Section 9 of the Hawaii Constitution, I hereby submit to the State Legislature the Executive Supplemental Budget for Fiscal Biennium 2007-09 and the updated Program and Financial Plan for the period 2007-13.

Within the framework of the State of Hawaii's biennial budget system, the General Appropriations Act of 2007 (Act 213, SLH 2007) is the primary plan that identifies the financial requirements of State agencies and programs and authorizes funding for the two-year fiscal period that begins on July 1, 2007 and ends on June 30, 2009. This Executive Supplemental Budget proposes only a limited number of changes and adjustments to Act 213, SLH 2007, that are deemed necessary at this time.

The overall economic context indicates a moderation in economic activity across the State, particularly in visitor arrivals and the construction industry. We have known that the past three years' extraordinary rates of economic growth could not be sustained over the long-term. The natural workings of the business cycle in an island economy created workforce shortages, resource constraints and inflationary pressures.

National and international trends, including moderation of growth rates of the U.S. economy and in Japan--the State's largest foreign market--coupled with the credit markets' fall-out due to the subprime mortgage crisis, have affected the amount of disposable income and confidence levels of Mainland visitors. Locally, these same factors have caused a slowdown in the purchases of housing and durable goods.

Reflecting real changes in the economy, state tax collections have shown a similar trend, growing at a slower rate as compared to the recent past. This overall economic context requires that we take a cautious and prudent approach to the State's financial situation.

The Executive Supplemental Budget that I am sending you reflects such an approach.

Staying within the intent of a supplemental budget, our instructions to all Executive Branch departments and agencies encompassed the following guidelines:

- Program goals should be accomplished within existing funding levels.
- Supplemental budget requests are limited to the most immediate and critical needs.
- Trade-offs and transfers among programs are encouraged to meet departmental needs and to bring about greater efficiency.

For FY 09, I am proposing an adjusted operating budget of \$10.8 billion from all means of financing. This represents an increase of \$306.7 million (or 2.9 %) over the current appropriation level. Of this total, the portion from general funds is \$5.4 billion, an increase of \$100.2 million (or 1.9 %) over the current appropriation level approved in Act 213, SLH 2007.

For capital improvements (CIP), I am recommending an additional \$1.1 billion for FY 09, bringing the total to \$1.6 billion from all means of financing. Close to half of the additional amount is from revenue bonds, a substantial portion of which is to finance our accelerated efforts to modernize State harbors and airports. The additional request for general obligation (G.O.) bonds is \$560.9 million, resulting in a total G.O. bond level of \$692.2 million for FY 09, including reimbursable issues.

Working within these new financial constraints, I believe we have succeeded in presenting to you a prudent budget with a clear focus on meeting Hawaii's critical needs at this time. We will continue to exercise fiscal restraint and take appropriate steps to ensure that the budget remains on a sustainable path.

THE ECONOMY

As mentioned above, after three years of extraordinary growth from 2003 to 2006, Hawaii's economy continued to expand in 2007 but the pace of growth has moderated in recent months. For 2008 and the near term, we expect to see continued positive growth at a lower rate. The consensus view of economists is that our economy remains solid.

Hawaii's unemployment rate consistently stayed below 3% during the past three years and remained among the lowest in the nation. The number of new jobs being created grew at an average rate of 2.1% during 2007. Hawaii's total personal income increased by 6.7% in the first half of 2007 and is projected to grow by 6.2% by the end of the year and by 5.9% in 2008. These are all positive numbers that are consistent with the characteristics of a solid economy.

With the expected moderation of the economy, inflation, as measured by the Honolulu Consumer Price Index, dropped a full percentage point to stand at 4.9% in the first half of 2007.

REVENUE PROJECTIONS

As expected, the moderation in the economy has had an impact on recent State tax collections. General fund tax revenues rose by 3.4% in FY 07, a significant difference from the double-digit growth of 16.0% in FY 05 and 10.9% in FY 06. In the first five months of FY 08, general fund tax revenues registered a preliminary 3.4% growth over the same period last year.

At its August 28, 2007 meeting, the Council on Revenues (COR) estimated that general fund tax revenues would grow by 5.7% in FY 08 and by 3.8% in FY 09. Revenue growth for the four out-years (FYs 10 to 13) is forecast to be in the range of 4.7% to 6.2%. These projections indicate that moderation in economic activities and tax revenues is expected to continue for the current fiscal biennium and into the four out-years of the planning horizon.

Besides current revenue sources, carry-over savings in the General Fund provide another means of funding that supports our budgetary needs. With a healthy economy and prudent management of State resources, we were successful in building a substantial balance in the General Fund that reached \$732.3 million in FY 06, the highest level ever achieved in Hawaii. These additional resources allowed the State to catch up with many critical needs that had been deferred in previous years.

However, beginning with FY 07, substantial increases in collective bargaining, specific appropriations, and grants to organizations began to reduce significantly the \$732.3 million balance in the General Fund. Specifically for FYs 07, 08 and 09, collective bargaining costs amount to \$523 million and appropriation measures outside the biennium budget add up to \$200 million. Cash CIPs in the sum of \$169 million also impacted the carry-over amount. As a result, with only moderate growth expected in tax revenues, the general fund balance is projected to decrease to \$475.4 million at the end of FY 08 and to further decrease to \$213 million at the end of FY 09.

THE PROGRAM AGENDA

Funding recommendations included in the Executive Supplemental Budget for FB 2007-09 are being proposed to address the requirements that I will discuss below.

Increases in Employees' Fringe Benefit Costs

Act 256, SLH 2007, mandates an increase in the rate of contribution by the employer to the Employees Retirement System for pension accumulation to address the unfunded liability condition in the retirement system. However, the Legislature failed to include funding for this requirement in the General Appropriations Act. As a result, the additional cost included in the supplemental budget is \$57.7 million for FY 09, and this obligation will continue in the out-years.

Contributions for Social Security and Medicare benefits are also projected to increase by \$8.4 million in FY 09 based on more recent and actual payroll data.

These increases serve as a reminder that payroll and fringe benefits are a major cost, accounting for a significant share of the total budget. They must be closely managed for the budget to be sustainable.

Education

The General Appropriations Act of 2007 and various specific appropriation acts have already authorized substantial funding for education. The proposed supplemental operating budget includes additional funding for recent developments such as the conversion of Kamaile Elementary School to a public charter school, provision for three new charter schools, and the plan for establishing 108 positions in the Department of Education (DOE) for in-house autism services instead of contracted providers.

The CIP program continues to concentrate on improving and renovating existing facilities while also planning for new schools to meet the needs of expanding communities. A total of \$40 million in G.O. bonds is requested for renovations at McKinley High School and Konawaena Middle School, for additional classrooms at Kaunakakai Elementary School and Lanai High and Elementary School, for a new library at Kapaa Elementary School, for design of a new elementary school in Kapolei, and for school building improvements statewide.

Substantial funding for school repairs and renovations has been authorized in recent years. Act 246, SLH 2006, provided \$160 million in general funds for classroom renovations and Act 213, SLH 2007, appropriated an additional \$50 million, also in general funds, for school repairs and maintenance, for a total of \$210 million to be expended during the current biennium. Paying cash for capital improvements may have been a reasonable option when revenues were abundant, but it is not a prudent approach at this time. Therefore, with this supplemental budget, we are changing the means of financing from general funds to G.O. bonds for \$140 million of these DOE authorizations. This conversion will allow the projects to be implemented while general funds are reserved for pressing operational needs.

University of Hawaii

Operating funds are requested to address security issues on all campuses. A total of \$4.4 million is proposed to add additional security personnel and support staff, enhance emergency communication and surveillance systems, and provide necessary equipment and vehicles. Another \$2.5 million is recommended for improvement of library collections and services at the Manoa campus. For capital improvements, a total of \$100.6 million will be needed. Included in this amount is funding for the Hawaiian Language Building at the Hilo campus (\$19.9 million) and \$50 million for the University to meet health and safety requirements as well as major maintenance needs throughout the system.

Affordable Housing

Efforts to keep the Kukui Gardens Rental Housing Complex affordable have been successful. Following through with the State's commitment to preserving affordable rental properties in urban Honolulu, we are requesting \$26 million in taxable G.O. bonds in this supplemental budget to complete the acquisition of land and construction of improvements on Parcel A of the complex.

On another front, the Hawaii Housing Finance and Development Corporation (HHFDC) has been active in pursuing the goal of increasing the stock of affordable rental housing in the State. To support HHFDC in its mission, we are proposing an infusion of \$25 million in taxable G.O. bonds into the Rental Housing Trust Fund to provide equity gap financing to developers of affordable rental housing projects. Another infusion of \$25 million in taxable G.O. bonds is recommended for the Dwelling Unit Revolving Fund to provide interim financing for affordable housing development.

The need for major repairs and renovations throughout our public housing projects is critical and immediate because the Legislature provided funding for only one year of the current biennium budget. We are requesting an additional \$6.4 million in G.O. bonds for the completion of elevator repairs at various housing projects and another \$20 million for major repairs of public housing properties statewide.

Assistance for the Homeless

Our initiatives to provide temporary shelter and support services to our less fortunate residents who are homeless have produced good results. There are now four operational centers in Waianae, Kalaeloa, and Lihue as well as the Next Step shelter downtown. Other shelters that are currently under development at Maili and Kalaeloa and on Kauai and the Big Island will be operational by June 30, 2008, ahead of schedule. To allow for immediate occupancy and operations, we are requesting an additional \$4.3 million to provide operating funds for the service contracts

that will be required. The challenges in providing appropriate shelter for the homeless population are long standing and will require our continued commitment. With the expected closing of the Next Step shelter in Kakaako in 2008, we are pursuing the development of a permanent facility for the homeless population in urban Honolulu. A request of \$20 million in G.O. bonds is proposed for this purpose.

Hawaiian Home Lands

It is imperative that we fulfill our commitment to native Hawaiians and actively pursue plans for putting people on the land. There is a clear need to develop infrastructure and homes for new homestead areas across the State. We are thus proposing \$100 million in revenue bonds for development of Hawaiian home lands statewide to support the goal of delivering approximately 1,000 home sites to beneficiaries throughout the islands.

Healthcare

The Adult Mental Health program is an area where we continue to see an increase in demand for services due to a growing population, court orders and new treatment strategies. The supplemental budget includes an additional \$10 million in operating funds for outpatient services with contract providers. As more patients are channeled toward community based programs, the Hawaii State Hospital will be able to accept a growing number of court ordered cases.

For the Hawaii Health System Corporation (HHSC), a total of \$11.3 million in G.O. bonds is recommended for critical repairs at specific community hospitals on all major islands. However, no additional operating funds are proposed at this time. Act 290, SLH 2007, changed the governance of HHSC by transitioning it into a regional board system. The supplemental operating request was, therefore, deferred to allow the newer members an

opportunity to evaluate the complex financial situation of their respective regions and to develop their budgetary requirements accordingly.

Subsidies to Kahuku Hospital have not been included in the supplemental budget because it is not yet a part of HHSC. Therefore, Kahuku Hospital's request must be submitted directly to the Legislature.

Transportation

A major initiative in this supplemental budget is the push for modernization of the Hawaii harbor system to meet new, expanded demands and enhanced security standards. The Harbor Modernization Plan, developed with input and support from the industry users group, identifies the tasks that must be done to increase capacity at Honolulu Harbor, provide capacity for future inter-island cargo movements, improve Kahului Harbor, and develop energy infrastructure. A total of \$124.4 million in revenue bonds is being proposed to begin implementing the first phase of the plan that includes Honolulu, Kalaeloa Barbers Point, Kahului, Hilo, Kawaihae and Nawiliwili Harbors.

CIP requests for the State's airport system amount to \$250.1 million in revenue bonds and reflect the continued efforts toward modernization. The requested amounts provide funding for major improvements at Honolulu International and Kahului Airports, including new and expanded parking facilities, improvements to the baggage handling system at Lihue Airport, noise attenuation at Hilo Airport, and security enhancements at all major airports.

The Highways program faces considerable financial difficulties. The Highway Special Fund currently does not have sufficient revenues to support all projected costs. To address the need for additional revenues, we will propose legislation to continue the \$3 surcharge on rental vehicles that was authorized in Act 223, SLH 1999, to provide an estimated \$14 million a year for the

Highway Special Fund. Also, an emergency appropriation request of \$20 million in special funds will be submitted this session to meet increases in operating costs, including special maintenance. For FY 09, the supplemental budget includes an additional \$20.8 million in special funds for continued requirements in operations and \$12.7 million in revenue bonds for the completion of several current projects on Oahu, Maui and Hawaii.

Other Programs

Besides the immediate and critical needs discussed above, the Executive Supplemental Budget proposes a limited increase in operating funds to address other important areas such as public safety, disaster and emergency preparedness, energy efficiency improvements, continued support for renewable energy sources and an innovative economy, and greater conservation of Hawaii's natural resources.

Major CIP proposals also include Phase 1 of a new Public Safety Complex on Maui (\$50 million), repairs at Aloha Stadium (\$25.9 million), renovations at Washington Place (\$4.9 million), repairs of the State Capitol reflecting pool (\$7.9 million), energy conservation in public buildings (\$10.5 million), and improvements to small boat harbor facilities (\$10 million) and State parks (\$5 million).

Unfunded FY 09 Program Expenses

The General Appropriations Act and other acts of specific appropriation in 2007 authorized a number of programs and services in FY 08 but did not provide funding for their continuation in FY 09, such as in the case of collective bargaining costs for Emergency Medical Services contracts, disaster emergency preparedness and logistics staff, and drug nuisance abatement staff. Where the programs and services are deemed necessary and beneficial for public purposes, or required by law, their expenses in FY 09 have been included in the supplemental budget, resulting in a total of \$5 million of such requests.

THE GENERAL FUND FINANCIAL PLAN

Next month my Administration will submit a package of legislative proposals for your consideration, including measures that will have a financial impact. These proposals have been carefully developed to bring about changes that will help position Hawaii to meet the challenges and capitalize on the opportunities that will arise during the next decade.

The General Fund balance is projected to be \$475.4 million on June 30, 2008. Taking into account the requests contained in this Executive Supplemental Budget and the fiscal impact of legislative proposals to be submitted, including emergency appropriations for FY 08, the ending balance in the General Fund for the current fiscal biennium is projected to be \$213 million on June 30, 2009. The Six-Year General Fund Financial Plan shows a positive balance for each year in the 2007-2013 period.

Outside of the General Fund, the State maintains additional reserves in the Emergency and Budget Stabilization Fund. The balance in this rainy day fund is estimated to be \$62 million at the end of the fiscal biennium on June 30, 2009.

The State also holds a significant level of reserves in the Hawaii Hurricane Relief Fund. The balance in this fund is projected to be \$181.7 million on June 30, 2009.

It is important to note that the State's disciplined approach to managing its budget has been favorably recognized by all three major credit rating agencies. In the most recent G.O. bond sale in March 2007, the State of Hawaii maintained a rating of Aa2 with a stable outlook from Moody's Investors Services and an AA from Fitch Ratings. Standard & Poor's Ratings Services upgraded Hawaii from the AA-level to a solid AA. All three agencies credited the State's strong financial management for the high ratings received.

I respectfully ask for your favorable consideration of these recommendations and I look forward to working with you in the upcoming session to create a budget that is both fiscally prudent and responsive to the substantial needs of our community.

Sincerely,

LINDA LINGLE

Governor of Hawaii

APPENDIX TO THE GOVERNOR'S MESSAGE

A. THE EXECUTIVE SUPPLEMENTAL BUDGET RECOMMENDATIONS

THE OPERATING BUDGET

All Means of Financing

For FY 2008, adjustments to the budget will be proposed through emergency appropriation measures to address shortfalls in the following areas:

- Adult Mental Health program (\$10 million in general funds)
- Emergency Medical Services (\$2 million in general funds)
- Increase in electricity costs (\$1 million in general funds)
- Highways program (\$20 million in special funds)

For FY 2009, total proposed adjustments to the operating budget amount to a net increase of \$306.7 million, or 2.9%, from all means of financing, as shown below.

Means of <u>Financing</u>	FY 09 Act 213/2007 <u>Appropriation</u> (\$)	FY 09 Proposed <u>Adjustment</u> (\$)	FY 09 Recommended <u>Appropriation</u> (\$)
General Funds	5,273,531,614	100,220,903	5,373,752,517
Special Funds	2,051,349,641	59,003,322	2,110,352,963
Federal Funds	1,699,966,165	14,778,442	1,714,744,607
Private Contributions	150,969	*****	150,969
County Funds	674,179		674,179
Trust Funds	58,498,819	32,836,065	91,334,884
Interdept. Transfers	1,071,890,536	94,409,987	1,166,300,523
Revolving Funds	371,815,328	2,684,782	374,500,110
Other Funds	<u>11,693,196</u>	2,750,000	<u>14,443,196</u>
Total	10,539,570,447	306,683,501	10,846,253,948

The distribution by department and the Highlights of the Operating Supplemental Budget by department are presented in the sections that follow.

General Fund

For **FY 2009**, total proposed general fund adjustments to the operating budget amount to a net increase of \$100.2 million, or 1.9%, over the current appropriation level. The distribution by department is presented in the sections that follow.

It should be noted that two-thirds of the request (\$66.1 million) is due to the increase in fringe benefits costs, including pension accumulation and contribution for Social Security and Medicare, as mandated by Acts 213 and 256, SLH 2007.

Increase in Positions

The Supplemental Budget includes an increase in the number of permanent positions and a net decrease in temporary positions.

	Temporary	Permanent
Total adjustments	(158)	437
By means of financing:		
General Funds	(49)	301
Special Funds	(6)	39
Federal Funds	(61)	52
Trust Funds	(33)	1
Revolving Funds	(1)	14
Interdepartmental Transfers	8	14
Other Funds	(16)	16

The additional positions are for the following purposes:

- Establishment of 108 positions in the Department of Education (DOE) for autism services. The positions include teachers, educational aides, social workers and behavioral specialists.
 Providing services with DOE employees instead of contracted personnel is expected to result in cost savings and more continuity in the program.
- Addition of 56 positions in the Department of Public Safety, to include: 21 positions for compliance with the audit on the Mental Health Services program, 5 additional staff for the Inmate Classification Office to address overcrowding, 12 deputy sheriffs for neighbor island airports, 12 ACOs at correctional facilities on Hawaii, and 6 other positions.
- Addition of 41 positions in the University of Hawaii System to strengthen security measures on all campuses.
- Conversion of 12 positions in the Department of Transportation Harbors Division from the CIP to the operating budget.
- Addition of 15 positions in the Department of Land and Natural Resources for the Division of Conservation and Resource Enforcement.
- Conversion of a large number of temporary positions to permanent status to reflect the ongoing needs of various programs in the Departments of the Attorney General, Budget and Finance, Health, and Human Services.

THE CAPITAL IMPROVEMENT (CIP) BUDGET

For FY 2009, total proposed CIP adjustments amount to \$1.1 billion, to be funded from the following sources:

Means of Financing	FY 09 Act 213/2007 <u>Appropriation</u> (\$)	FY 09 Proposed <u>Adjustment</u> (\$)	FY 09 Recommended Appropriation (\$)
General Funds			
Special Funds	106,233,000	- 4,628,000	101,605,000
G.O. Bonds	131,261,000	560,924,000	692,185,000
G.O. Reimbursable	1,000,000	••••	1,000,000
Revenue Bonds	63,421,000	500,813,000	564,234,000
Federal Funds	164,713,000	20,685,000	185,398,000
Private Contributions		••••	*****
County Funds		*****	
Interdept. Transfers	11,500,000	****	11,500,000
Revolving Funds	••••	••••	
Other Funds	100,000	****	100,000
Total	478,228,000	1,077,794,000	1,556,022,000

The distribution by department and the Highlights of the CIP program by department are presented in the sections that follow.

The CIP requests reflect the continued commitment of the State to improving its infrastructure and capital assets to support the economic base and maintain the health, safety, and quality of life in Hawaii.

B. THE MANDATORY TAX REFUND

Section 6 of Article VII of the Hawaii State Constitution provides for a mandatory tax refund or tax credit if the general fund balance exceeds 5% of general fund revenues at the end of two succeeding fiscal years. For FYs 06 and FY 07, the ratios were 14.9% and 9.6%, respectively, and thus met the constitutional criteria. The Legislature will need to consider the enactment of legislation in this 2008 Session to comply with the mandatory tax refund as stipulated by the State Constitution.

C. THE GENERAL FUND EXPENDITURE CEILING

By law, general fund appropriations must comply with the expenditure ceiling requirements that are set forth in Section 9 of Article VII of the State Constitution and Section 37-92 of the Hawaii Revised Statutes.

At the aggregate level that includes all branches of government, total proposed appropriations from the General Fund are within the expenditure ceilings for both FY 08 and FY 09.

For the Executive Branch, total proposed appropriations from the General Fund (which include the Executive Supplemental Budget for FB 2007-09 and other specific appropriation measures to be submitted by the Administration) are also within the appropriation ceilings for the Executive Branch in both FY 08 and FY 09.

A summary statement on the General Fund expenditure ceiling and Executive Branch appropriation ceiling is presented in the sections that follow.

D. THE DEBT LIMIT

Section 13 of Article VII of the State Constitution places a debt limit on G.O. bonds that may be issued by the State. It has been determined that the total amount of principal and interest calculated on: a) all bonds issued and outstanding, b) all bonds authorized and unissued, and c) all bonds proposed in the Supplemental Budget (including State guaranties) will not cause the debt limit to be exceeded at the time of each bond issuance.

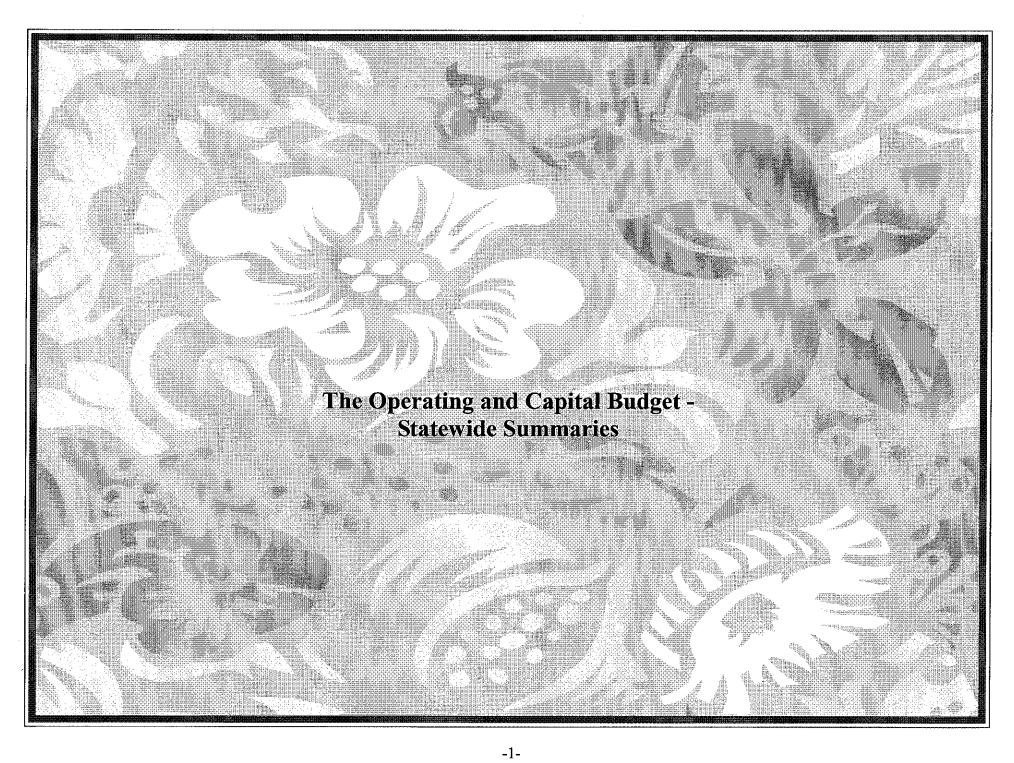
The Declaration of Findings with respect to the G.O. bond debt limit is presented in the sections that follow.

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BUDGET IN BRIEF The FY 2009 Executive Supplemental Budget

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MULTI-YEAR FINANCIAL SUMMARY GENERAL FUND FISCAL YEARS 07 - 13 (in millions of dollars)

	Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	<u>FY 07</u>	<u>FY 08</u>	FY 09	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>
REVENUES:							
Executive Branch:							
Tax revenues	4,590.2	4,848.1	5,030.3	5,274.7	5,522.3	5,800.8	6,162.3
Nontax revenues	520.6	472.9	473.8	473.3	484.1	486.1	489.4
Judicial Branch revenues	31.2	29.1	29.6	30.1	30.5	31.0	31.5
Other _		(0.6)	(42.2)	(59.4)	(59.4)	(59.4)	(59.4)
TOTAL REVENUES	5,142.1	5,349.5	5,491.5	5,718.8	5,977.6	6,258.5	6,623.9
EXPENDITURES							÷
Executive Branch:							
Operating	4,745.3	5,027.4	5,373.8	5,466.5	5,562.0	5,615.9	5,750.4
CIP	57.5	50.0	_	-	-	-	-
Specific appropriations	524.0	168.2	251.2	282.7	282.8	283.2	283.0
Sub-total	5,326.8	5,245.6	5,625.0	5,749.2	5,844.8	5,899.1	6,033.4
Legislative Branch	34.0	35.0	34.0	34.0	34.0	34.0	34.0
Judicial Branch	134.1	143.8	151.8	151.8	151.8	151.8	151.8
OHA	2.9	3.1	3.1	3.1	3.1	3.1	3 .1
Counties	0.6			-	•	-	-
Lapses	(117.4)	(60.0)	(60.0)	(60.0)	(60.0)	(60.0)	(60.0)
TOTAL EXPENDITURES	5,381.0	5,367.5	5,753.9	5,878.1	5,973.7	6,028.0	6,162.3
REVENUES OVER EXPEND.	(238.9)	(18.0)	(262.3)	(159.3)	3.9	230.6	461.6
CARRY-OVER BALANCE (DEFICIT)						•	
Beginning	732.3	493.4	475.4	213.0	53.8	57.7	288.3
Ending	493.4	475.4	213.0	53.8	57.7	288.3	749.9
Emergency & Budget Reserve Fund	61.5	49.7	62.0	74.3	86.5	98.8	111.1

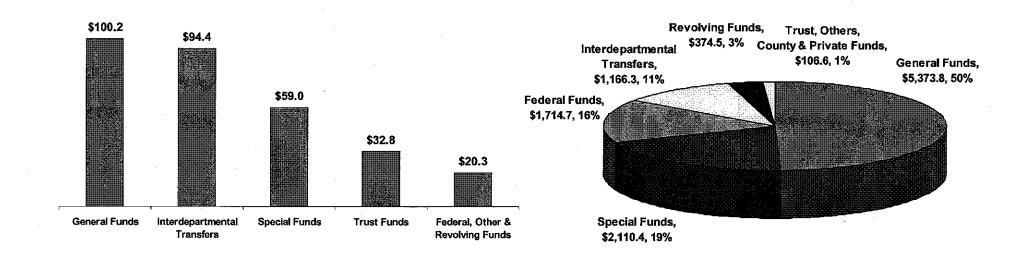
FY 09 Supplemental Operating Budget Statewide Totals by Means of Financing

	Act 213/2007 FY 2008	% of Total	Act 213/2007 FY 2009	% of Total	FY 2009 Adjustments	% of Total	Total FY 2009	% of <u>Total</u>
Consul E 1	35,617.73	#0.0 <i>6</i>	35,745.23		301.04		36,046.27	
General Funds	5,185,780,822	50.0%	5,273,531,614	50.0%	100,220,903	32.7%	5,373,752,517	49.5%
	7,203.70		7,239.70		38.80		7,278.50	
Special Funds	2,001,026,719	19.3%	2,051,349,641	19.5%	59,003,322	19.2%	2,110,352,963	19.5%
	2,335.21		2,335.21		52.14		2,387.35	
Federal Funds	1,697,590,881	16.4%	1,699,966,165	16.1%	14,778,442	4.8%	1,714,744,607	15.8%
	0.00		0.00		0.00		0.00	
Private Contributions	150,969	0.0%	150,969	0.0%	0	0.0%	150,969	0.0%
	0.00	•	0.00		0.00		0.00	
County Funds	674,179	0.0%	674,179	0.0%	0	0.0%	674,179	0.0%
	117.00		117.00		1.00		118.00	
Trust Funds	76,798,316	0.7%	58,498,819	0.6%	32,836,065	10.7%	91,334,884	0.8%
	171.35		171.35		14.00		185.35	
Interdepartmental Transfers	1,025,263,142	9.9%	1,071,890,536	10.2%	94,409,987	30.8%	1,166,300,523	10.8%
	380.65		380.65		13.80		394.45	
Revolving Funds	371,656,728	3.6%	371,815,328	3.5%	2,684,782	0.9%	374,500,110	3.5%
	83.00		83.00		16.00		99.00	
Other Funds	11,768,226	0.1%	11,693,196	0.1%	2,750,000	0.9%	14,443,196	0.1%
	45,908.64		46,072.14		436.78		46,508.92	
TOTAL REQUIREMENTS	10,370,709,982	100.0%	10,539,570,447	100.0%	306,683,501	100.0%	10,846,253,948	100.0%

FY 09 Supplemental Operating Budget Statewide Totals by Means of Financing

FY 2009
Supplemental Budget
Adjustments

FY 2009 Supplemental Budget



Total \$306.7 M

Total \$10.8 B

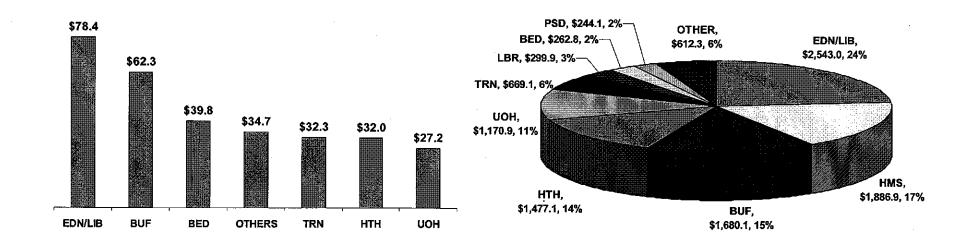
FX 09 Supplemental Operating Budget Statewide Totals By Department - All Funds

#Y 2008 826.50 Accounting and General Services 151,638,172 353.00 Agriculture 42,606,851 629.00 Attorney General 78,814,439 185.00 Business, Econ. Dev. & Tourism 258,391,960 301.00 Sudget and Finance 1,556,952,833 397.00 Commerce and Consumer Affairs 47,291,472	6.50	Total	EY 2009 826 50	Total	Adjustments	Total	FY 2009	Total
151,6 42,6 78,8 258,3 1,556,9	8,172				4 C		830.50	
78,8 78,8 258,3 1,556,9	53.00	1.5%	150,396,875	1.4%	2,644,032	0.9%	153,040,907	1.4%
78,8 258,3 1,556,9	6,851	0.4%	38,041,080	0.4%	837,626	0.3%	38,878,706	0.4%
258,3	4,439	0.8%	77,158,615	0.7%	656,555	0.2%	77,815,170	0.7%
1,556,9 47,2	185.00	Š	185.00		3.00		188.00	1
1,556,9 sumer Affairs 47,2	301.00	%C.7%	308,00	7.1%	39,777,016	13.0%	330 00	2.4%
47,2		15.0%	1,617,806,549	15.3%	62,264,318	20.3%	1,680,070,867	15.5%
	1,472	0.5%	397.00	0.4%	6.00	88.0	403.00	0.4%
	24.50	!	224.50		00.9		230.50	3
Defense 100,593,042	3,042	1.0%	100,126,413	1.0%	1,427,037	0.5%	101,553,450	0.9%
20,100.50 Education 2,346,727,276		22.6%	2,377,548,479	22.6%	108.00	24.1%	20,288.60	22.6%
r Schools 51,6	5,990	0.5%	51,635,990	0.5%	4,514,705	1.5%	56,150,695	0.5%
	55.55	5	555.55	(0.00		555.55	,
Fublic Libraries 53,046,832 37.00	ю, 832 37.00	0.3%	37.00	0.3%	000	0.0%	35,369,905 37 00	0.3%
Governor 3,894,690	4,690	0.0%	3,894,690	0.0%	500,000	0.2%	4,394,690	0.0%
195,00 Wotterijan Uome I and	95.00	20	195.00	ë C	0.00	5	195.00	8
. *	7,361	0.5 %	2.947.55	6.5	472,239	0.7%	2.967.55	0.3%
Health 982,785,797	5,797	9.5%	986,533,462	9.4%	31,984,554	10.4%	1,018,518,016	9.4%
	6.25	ě	2,836.25	3	0.00	Č	2,836.25	
Health - H.H.S.C 454, 700, 252	6,232 12.00	%7.4	438,382,961	4,4 %	0.00	0.0 %0.0	458,582,961	4.2%
Human Resources Development 22,433,749	3,749	0.2%	22,431,151	0.2%	0	0.0%	22,431,151	0.2%
2,496.50 Human Services 1.847,442,789		7 8%	2,496.50	17.8%	97.00 10 953 323	3 6%	2,593.50	17 4%
		3	708.24	2	-0.50		707.74	2
Labor and Industrial Relations 300,911,019	1,019	2.9%	299,188,682	2.8%	707,869	0.2%	299,896,551	2.8%
Land and Natural Resources 107,598,731	8,731	1.0%	104,375,585	1.0%	7,589,894	2.5%	812.30	1.0%
	8.00		8.00		0.00		8.00	
Lieutenant Governor 1,261,092	1,092 53.20	0.0%	1,261,138	0.0%	0 26 00	0.0%	1,261,138	0.0%
Public Safety 237,592,984	2,984	2.3%	238,000,032	2.3%	6,056,004	2.0%	244,056,036	2.3%
	0.00	1	0.00	1	0.00		0.00	
Subsidies 580,000 404.50	0,000	0.0%	580,000	0.0%	0 00	0.0%	580,000	0.0%
Taxation 25,805,566	5,566	0.2%	25,536,470	0.2%	590,000	0.2%	26,126,470	0.2%
	54.00	פ ז מ	2,155.00	200	19.00	9	2,174.00	200
1 ransportation 1.004,002 (2.94,004,002) (2.942.75)	4,002	0.7%	7.068.25	ø.0.0	32,233,168 49.00	10.5%	7,117,25	%7.0
University of Hawaii 1,063,536,423	ļ	10.3%	1,143,755,444	10.9%	27,159,756	8.6%	1,170,915,200	10.9%
45,908.64 TOTAL REQUIREMENTS 10,370,709,982		100.0%	46,072.14 10,539, <i>5</i> 70,447	100.0%	436.78 306,683,501	100.0%	46,508.92 10,846,253,948	100.0%

FY 09 Supplemental Operating Budget Statewide Totals by Departments - All Funds

FY 2009
Supplemental Budget
Adjustments

FY 2009 Supplemental Budget



Total \$306.7 M

Total \$10.8 B

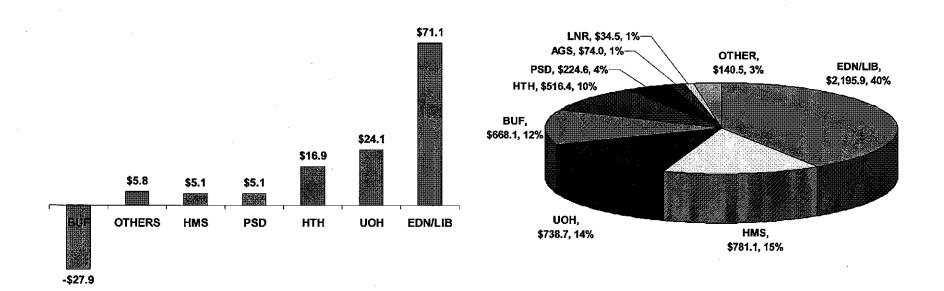
FY 09 Supplemental Operating Budget Statewide Totals By Department - General Funds

	Act 213/2007	% of	Act 213/2007	% of	FY 2009	% of	Total	% of
	FY 2008 687.50	Total	FY 2009 687 50	Total	Adjustments	Total	FY 2009 688 50	Total
Accounting and General Services	76,621,624	1.5%	72,865,946	1.4%	1,173,391	1.2%	74,039,337	1.40%
Agriculture	18,341,469	0.4%	17,294,198	0.3%	0 0 18.46	0.0%	17,294,198	0.30%
Attorney General	30,703,685	0.6%	29,690,945	0.6%	551,411	0.6%	30,242,356	0.60%
Business, Econ. Dev. & Tourism	123.50 28,137,268	0.5%	123.50 11,653,903	0.2%	2.00 725,000	0.7%	125.50 12,378,903	0.20%
Budget and Finance	144.00	12.9%	144.00	13.2%	1.00	%0 LC-	145.00	12 40%
	0.00		00.0	2	0.00	2/:17	0.00	0/ Ot : 71
Commerce and Consumer Affairs	0 151	0.0%	0	0.0%	0 6	0.0%	0	0.00%
Defense	12,591,402	0.2%	12,019,959	0.2%	2.00 1,145,182	1.1%	153.80	0.20%
	19,425.10	i c	19,439.10	1	108.00	;	19,547.10	
Education Charter Schools	2,013,560,918	38.8%	2,042,191,352	38.7%	66,594,681	66.4%	2,108,786,033	39.20%
	555.55	2	555.55	1.0%	0.00	9	55.55	% OO: 1
Public Libraries	30,556,588	0.6%	30,879,661	0.6%	0 0	0.0%	30,879,661	0.60%
Governor	3.894.690	0.1%	3.894.690	0.1%	90.0 G	%00	37.00	0 10%
	18.00	3	18.00		0.00	8	18.00	0.10
Hawaiian Home Lands	1,169,174	0.0%	920,520	0.0%	0	0.0%	920,520	0.00%
Human Sarvicae	1,307.03	14 70%	1,307.03	11 70	51.64	70,10%	1,358.67	2000
Alulian Sci vices	112.00	۲:۱۶	112.00	7	0.00	3.1%	112.00	14.30%
Human Resources Development	16,847,468	0.3%	16,844,870	0.3%	0	0.0%	16,844,870	0.30%
Health	2,396.10 441,711,070	8.5%	2,396.10 444,322,122	8.4%	16,914,025	16.9%	2,411.54 461,236,147	8.60%
Trails, THEO	0.00		0.00	, ,	0.00	Š	0.00	
neatul - Hnoc	266.14	1.170	25,122,901	80.1	-0.50	% O:O	265.64	7.00°
Labor and Industrial Relations	19,881,509	0.4%	18,159,145	0.3%	65,000	0.1%	18,224,145	0.30%
Land and Natural Resources	470.23	0.7%	482.23 33 008 346	0 6%	1 524 415	1 5 %	34 532 761	0.60%
	8.00		8.00	2	0.00	200	8.00	0.00%
Lieutenant Governor	1,261,092 2,566.20	0.0%	1,261,138 2,566.20	0.0%	0 44.00	0.0%	1,261,138	0.00%
Public Safety	218,994,228	4.2%	219,503,916	4.2%	5,127,828	5.1%	224,631,744	4.20%
7.	0.00	Š	0.00	ò	0.00	č	0.00	ò
Substitutes	380,000	0.0%	280,000 404.50	%O.O	1.00	% O:O	580,000 405.50	0.00%
Taxation	25,353,566	0.5%	25,084,470	0.5%	590,000	0.6%	25,674,470	0.50%
Transportation	0.00	0.0%	0.00	0.0%	0.0	0.0%	0.00 0	0.00%
	6,321.09		6,422.59		39.00		6,461.59	
University of Hawaii	670,485,075	13.0%	714,532,333	13.7%	24,159,756	24.1%	738,692,089	14.00%
TOTAL REQUIREMENTS	5,185,780,822	100.0%	5,273,531,614	100.0%	301.04 100,220,903	100.0%	36,046.27 5,373,752,517	100.00%

FY 09 Supplemental Operating Budget Statewide Totals by Department - General Fund

FY 2009
Supplemental Budget
Adjustments

FY 2009 Supplemental Budget



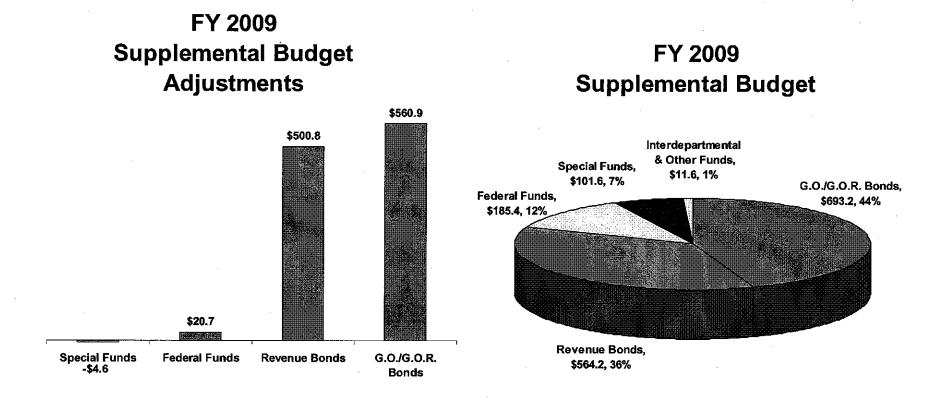
Total \$100.2 M

Total \$5.4 B

FY 09 Supplemental CIP Budget Statewide Totals by Means of Financing

	Act 213/2007			% of	FY 2009	% of	Total	% of
	FY 2008	<u>Total</u>	FY 2009	<u>Total</u>	Adjustments	Total	<u>FY 2009</u>	<u>Total</u>
General Funds	50,000,000	2.6%	0	0.0%	0	0.0%	0	0.0%
Special Funds	548,916,000	28.7%	106,233,000	22.2%	-4,628,000	-0.4%	101,605,000	6.5%
General Obligation Bonds	787,020,000	41.1%	131,261,000	27.4%	560,924,000	52.0%	692,185,000	44.5%
Reimburseable								
Bonds	10,000,000	0.5%	1,000,000	0.2%	0	0.0%	1,000,000	0.1%
Revenue Bonds	217,757,000	11.4%	63,421,000	13.3%	500,813,000	46.5%	564,234,000	36.3%
Federal Funds	239,397,000	12.5%	164,713,000	34.4%	20,685,000	1.9%	185,398,000	11.9%
Private Contributions	19,753,000	1.0%	0	0.0%	0	0.0%	0	0.0%
County Funds	1,750,000	0.1%	0	0.0%	0	0.0%	0.00	0.0%
Interdepartmental Transfers	32,130,000	1.7%	11,500,000	2.4%	0	0.0%	11,500,000	0.7%
Revolving Funds	4,800,000	0.3%	0	0.0%	0	0.0%	0	0.0%
Other Funds	1,075,000	0.1%	100,000	0.0%	0	0.0%	100,000	0.0%
TOTAL REQUIREMENTS	1,912,598,000	100.0%	478,228,000	100.0%	1,077,794,000	100.0%	1,556,022,000	100.0%

FY 09 Supplemental CIP Budget Statewide Totals by Means of Financing



Total \$1.1 B

Total \$1.6 B

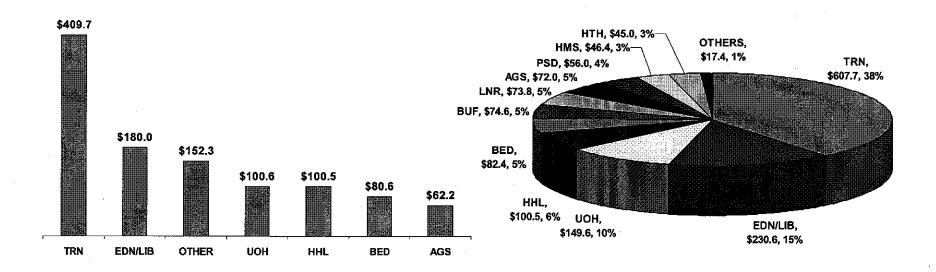
FY 09 Supplemental CIP Budget Statewide Totals By Department - All Funds

	Act 213/2007	% of	Act 213/2007	% of	FY 2009	% of	Total	% of
	FY 2008	Total	FY 2009	Total	Adjustments	Total	FY 2009	Total
Accounting and General Services	46,100,000	2.4%	9,850,000	2.1%	62,150,000	5.8%	72,000,000	4.6%
Agriculture	20,525,000	1.1%	3,000,000	0.6%	3,213,000	0.3%	6,213,000	0.4%
Budget and Finance	342,158,000	17.9%	73,570,000	15.4%	1,000,000	0.1%	74,570,000	4.8%
Business, Econ. Dev. & Tourism	11,675,000	0.6%	1,820,000	0.4%	80,580,000	7.5%	82,400,000	5.3%
Defense	65,832,000	3.4%	11,235,000	2.3%	0	0.0%	11,235,000	0.7%
Education	344,236,000	18.0%	43,570,000	9.1%	180,000,000	16.7%	223,570,000	14.4%
Public Libraries	16,425,000	0.9%	7,000,000	1.5%	0	0.0%	7,000,000	0.4%
Governor	1,000	0.0%	1,000	0.0%	0	0.0%	1,000	0.0%
Hawaiian Home Lands	375,000	0.0%	0	0.0%	100,500,000	9.3%	100,500,000	6.5%
Health	38,771,000	2.0%	21,029,000	4.4%	12,722,000	1.2%	33,751,000	2.2%
HHSC	23,920,000	1.3%	0	0.0%	11,282,000	1.0%	11,282,000	0.7%
Human Services	30,712,000	1.6%	0	0.0%	46,410,000	4.3%	46,410,000	3.0%
Labor and Industrial Relations	4,786,000	0.3%	0	0.0%	0	0.0%	0	0.0%
Land and Natural Resources	76,001,000	4.0%	52,088,000	10.9%	21,731,000	2.0%	73,819,000	4.7%
Public Safety	17,092,000	0.9%	. 0	0.0%	56,000,000	5.2%	56,000,000	3.6%
Subsidies	17,200,000	0.9%	0	0.0%	0	0.0%	0	0.0%
Transportation	565,653,000	29.5%	206,042,000	43.0%	401,618,000	37.3%	607,660,000	39.1%
University of Hawaii	291,136,000	15.2%	49,023,000	10.3%	100,588,000	9.3%	149,611,000	9.6%
TOTAL REQUIREMENTS	1,912,598,000	100.0%	478,228,000	100.0%	1,077,794,000	100.0%	1,556,022,000	100.0%

FY 09 Supplemental CIP Budget Statewide Totals by Departments - All Funds

FY 2009
Supplemental Budget
Adjustments

FY 2009 Supplemental Budget



Total \$1.1 B

Total \$1.6 B

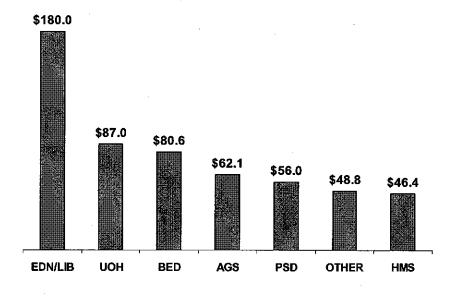
FY 09 Supplemental CIP Budget Statewide Totals By Department - General Obligation (GO) and GO Reimbursable Bonds

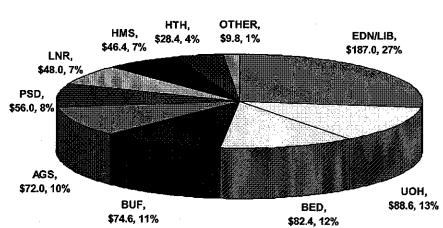
	Act 213/2007 FY 2008	% of Total	Act 213/2007 FY 2009	% of Total	FY 2009 Adjustments	% of Total	Total FY 2009	% of Total
Accounting and General Services	46,100,000	5.8%	9,850,000	7.5%	62,150,000	11.1%	72,000,000	10.4%
Agriculture	19,025,000	2.4%	1,500,000	1.1%	3,107,000	0.6%	4,607,000	0.7%
Budget and Finance	342,158,000	42.9%	73,570,000	55.6%	1,000,000	0.2%	74,570,000	10.8%
Business, Econ. Dev. & Tourism	9,175,000	1.1%	1,820,000	1.4%	80,580,000	14.4%	82,400,000	11.9%
Defense	14,675,000	1.8%	4,680,000	3.5%		0.0%	4,680,000	0.7%
Education	650,000	0.0%	0	0.0%	180,000,000	32.1%	180,000,000	26.0%
Public Libraries	16,425,000	2.1%	7,000,000	5.3%	-	0.0%	7,000,000	1.0%
Governor	1,000	0.0%	1,000	0.0%		0.0%	1,000	0.0%
Hawaiian Home Lands	375,000	0.0%	0	0.0%	500,000	0.1%	500,000	0.1%
Health	25,444,000	3.2%	7,702,000	5.8%	9,423,000	1.7%	17,125,000	2.5%
HHSC	23,920,000	3.0%	. 0	0.0%	11,282,000	2.0%	11,282,000	1.6%
Human Services	30,712,000	3.9%	0	0.0%	46,410,000	8.3%	46,410,000	6.7%
Labor and Industrial Relations	4,786,000	0.6%	0	0.0%		0.0%	0	0.0%
Land and Natural Resources	57,046,000	7.2%	24,498,000	18.5%	23,501,000	4.2%	47,999,000	6.9%
Public Safety	17,092,000	2.1%	. 0	0.0%	56,000,000	10.0%	56,000,000	8.1%
Subsidies	5,200,000	0.7%	0	0.0%		0.0%	0	0.0%
Transportation	1,200,000	0.2%	0	0.0%		0.0%	0	0.0%
University of Hawaii	183,036,000	23.0%	1,640,000	1.3%	86,971,000	15.3%	88,611,000	12.6%
TOTAL REQUIREMENTS	797,020,000	100.0%	132,261,000	100.0%	560,924,000	100.0%	693,185,000	100.0%
General Obligation Bonds	787,020,000	98.7%	131,261,000	99.2%	560,924,000	100.0%	692,185,000	99.9%
Reimbursable G.O. Bonds	10,000,000	1.3%	1,000,000	0.8%		0.0%	1,000,000	0.1%
TOTAL REQUIREMENTS	797,020,000	100.0%	132,261,000	100.0%	560,924,000	100.0%	693,185,000	

FY 09 Supplemental CIP Budget Statewide Totals by Departments - G.O./G.O.R. Bonds

FY 2009
Supplemental Budget
Adjustments

FY 2009 Supplemental Budget

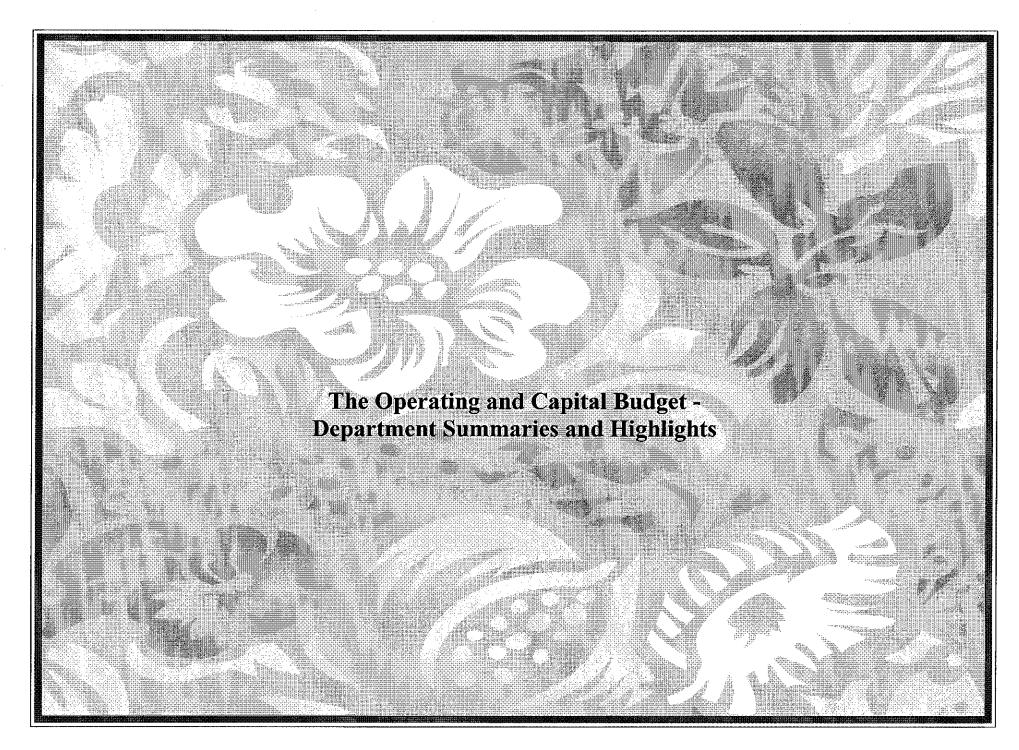




Total \$560.9 M

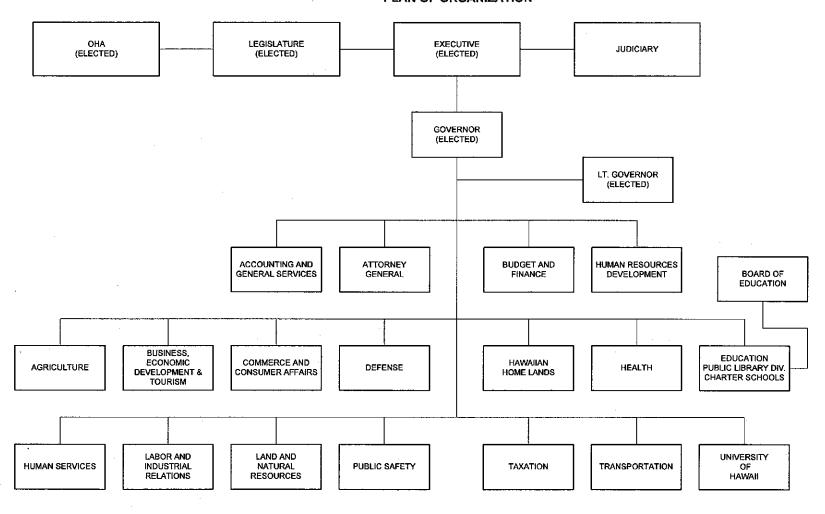
Total \$693.2 M

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STATE GOVERNMENT OF HAWAII

PLAN OF ORGANIZATION



DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES Department Summary

Mission Statement

To provide the physical, financial, and technical infrastructure to support state departments and agencies in accomplishing their missions.

Department Goals

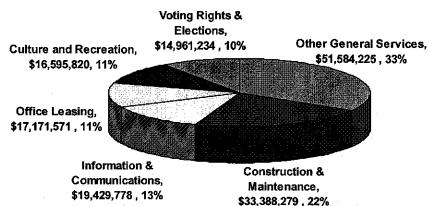
To strive for quality and consistency in the delivery of essential support services to other state departments and agencies. The department's activities reflect a continuing commitment towards cost efficiency, productivity, relevancy and timeliness of services.

Significant Measures of Effectiveness FY 200			
1. Average in-house time to process payments to vendors (days)	. 5	5	
2. Percentage of production jobs run on schedule	99	99	
3. For projects completed this year, the average cost of change orders as	3	3	
a percentage of average actual construction cost			

FY 2009 Supplemental Operating Budget Adjustments by Major Program

\$976,761 \$694,600 \$583,880 \$275,000 \$113,791 Culture and Recreation Maintenance Other General Communications Elections

FY 2009 Supplemental Operating Budget



DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES MAJOR FUNCTIONS

- Maintains the State's accounting systems; records the State's financial transactions; verifies expenditures before payments; audits fiscal records of State agencies.
- Coordinates and directs engineering, architectural, office leasing, and centralized services that include public building repair and maintenance, custodial services, and grounds maintenance.
- Administers the statewide information processing and telecommunication services and programs.
- Performs land survey work for government agencies.

- Preserves government records and historical material.
- Administers the State's risk management activities.
- Manages the State's motor pool and parking activities.
- Coordinates procurement activities under Chapter 103D and 103F, HRS.
- Manages and operates Aloha Stadium; guides and promotes culture, the arts, history and humanities.
- Directs the statewide elections systems; ensures full disclosure of campaign contributions and expenditures.

MAJOR PROGRAM AREAS

The Department of Accounting and General Services has programs in the following major program areas:

Formal Education	Governm	ent-Wide Support	AGS 232	Central Services - Grounds
AGS 807 School Repair & Maintenance,	AGS 101	Statewide Accounting Services		Maintenance
Neighbor Island Districts	AGS 102	Expenditure Examination	AGS 233	Central Services - Building
	AGS 103	Recording and Reporting		Repairs and Alterations
Culture and Recreation	AGS 104	Internal Post Audit	AGS 240	State Procurement
AGS 818 King Kamehameha Celebration	AGS 111	Archives - Records Management	AGS 244	Surplus Property Management
Commission	AGS 131	Information Processing and		Automotive Management –
AGS 881 State Foundation on Culture &		Communication Services		Motor Pool
the Arts	AGS 203	State Risk Management and	AGS 252	Automotive Management -
AGS 889 Spectator Events and Shows -		Insurance Administration		Parking Control
Aloha Stadium	AGS 211	Land Survey	AGS 871	Campaign Spending Commission
	AGS 221	Public Works - Planning, Design,	AGS 879	Office of Elections
		& Construction	AGS 891	Wireless Enhanced 911 Board
	AGS 223	Office Leasing	AGS 901	General Administrative Services
	AGS 231	Central Services – Custodial		•

Department of Accounting and General Services (Operating Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: Positions	687.50	687.50	1.00	688.50
General Funds	76,621,624	72,865,946	1,173,391	74,039,337
	53.50	53.50	3.00	56.50
Special Funds	22,378,273	21,063,623	876,761	21,940,384
	2.50	2.50	0.00	2.50
Federal Funds	8,246,155	8,246,498	0	8,246,498
	5.00	5.00	0.00	5.00
Trust Funds	842,126	4,670,814	0	4,670,814
	34.00	34.00	0.00	34.00
Interdepartmental Transfers	s 10,605,689	10,605,689	100,000	10,705,689
	44.00	44.00	0.00	44.00
Revolving Funds	32,944,305	32,944,305	493,880	33,438,185
	826.50	826.50	4.00	830.50
Total Requirements	151,638,172	150,396,875	2,644,032	153,040,907

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Added \$694,600 in general funds for estimated increase of 12.3% in electricity cost for State facilities.
- 2. Added \$275,000 in other current expenses and equipment for Information Processing and Communication Services, Technology Support Services to provide audio/video media, videotaping, and live web streaming for State agencies.
- 3. Increased ceiling for Parking Control Revolving Fund by \$493,880 for risk management premium increase and energy conservation projects.
- 4. Increased the State Foundation on Culture and the Arts interdepartmental transfer funds by \$100,000 for clients being served under the Temporary Assistance of Needy Families federal funded program.
- 5. Increased ceiling for the Aloha Stadium Special Funds by \$876,761 for part-time employees salary and operational and repairs increases.
- 6. Increase Office of the Elections funding by \$113,791 for compensation from the conversion of 14.5 exempt positions to civil services positions pursuant to Act 213, SLH 2006.

Department of Accounting and General Services (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds	46,100,000	9,850,000	62,150,000	72,000,000
Total Requirements	46,100,000	9,850,000	62,150,000	72,000,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provided \$10,000,000 for repairs and alterations and health and safety projects of State facilities.
- 2. Added \$4,900,000 for Washington Place health and safety renovation projects.
- 3. Added \$25,850,000 for roof repairs and various major repairs for Aloha Stadium renovations.
- 4. Added \$10,500,000 for the comprehensive energy conservation program to maximize energy efficiency in public facilities and operations.
- 5. Added \$3,000,000 to address critical office and operational space needs for the Kona Civic Center, Hawaii.
- 6. Provided \$7,900,000 for State Capitol replacement of lining and circular system in reflecting pools and other improvements.
- 7. Lapsed \$9,600,000 for Kamamalu Building building renovation appropriated by Act 178, SLH 2005, as amended by Act 160, SLH 2006.

DEPARTMENT OF AGRICULTURE **Department Summary**

Mission Statement

To develop and promote agriculture as a significant and respected driver of Hawaii's economy.

Department Goals

To conserve and develop essential agricultural resources and infrastructure; to gain access and develop local, domestic, and international markets for Hawaii's agricultural products; to raise awareness of the importance of agriculture to the State's economy, environment, and as a profession; to implement programs to safeguard Hawaii's farmers, consumers, and natural resources; and to prevent the introduction and establishment of plants, animals and disease that are detrimental to Hawaii's agriculture and environment.

Significant Measures of Effectiveness

- 1. Diversified agriculture farm value (millions).
- 2. Total Agricultural Farm Value and other farm related activity (millions).

FY 2009 Supplemental

FY 2009

477.9

647.2

Operating Budget Environmental Individual Rights,

FY 2008

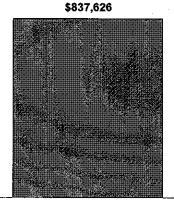
464.0

640.7

Protection. \$719,145, 2% \$2,121,772, 6%

Economic Development, \$36,037,789,93%

FY 2009 Supplemental Operating Budget Adjustments by Major Program



Economic Development

DEPARTMENT OF AGRICULTURE MAJOR FUNCTIONS

- Carries out programs to conserve, develop, and utilize the agricultural resources and infrastructure of the State and facilitates the transition of plantation agriculture to diversified farming.
- Enforces laws, and formulates and enforces rules and regulations to further control the management of these resources.
- Reviews and develops agricultural goals and objectives compatible with statewide expansion and diversification of Hawaii's agricultural base.
- Prevents the introduction of plant pests and diseases, provides certification services to facilitate the export of certain plant materials, and controls and eradicates insects and noxious weeds and controls the distribution and usage of pesticides.

- Administers the aquaculture development, state animal health, and agricultural and aquacultural loan programs.
- Maintains official State primary measurement standards; ensures accuracy of commercial measuring devices.
- Establishes and enforces grade standards for agricultural commodities producers in the State in cooperation with the industry, and achieves stability within the State milk industry by ensuring the availability of an adequate supply of wholesale milk for the consuming public.
- Collects and disseminates statistical data on agricultural production and supports funding for research on various agricultural commodities.

MAJOR PROGRAM AREAS

The Department of Agriculture has programs in the following major program areas:

Economic Do	evelopment	AGR 171	Agricultural Development and Marketing
AGR 101	Financial Assistance for Agriculture	AGR 192	General Administration for Agriculture
AGR 122	Plant, Pest, and Disease Control		
AGR 131	Rabies Quarantine	Environme	ntal Protection
AGR 132	Animal Disease Control	AGR 846	Pesticides
AGR 141	Agricultural Resource Management		
AGR 151	Quality and Price Assurance	Individual l	Rights
AGR 153	Aquaculture Development Program	AGR 812	Measurement Standards
AGR 161	Agribusiness Development and Research		

Department of Agriculture (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: P	ositions	276.00	276.00	0.00	276.00
General Funds	\$	18,341,469	17,294,198	0	17,294,198
•		50.00	50.00	2.00	52.00
Special Funds		8,095,769	5,091,769	728,126	5,819,895
		1.00	1.00	0.00	1.00
Federal Funds		1,907,276	1,892,776	109,500	2,002,276
Trust Funds		812,962	812,962	0	812,962
		9.00	9.00	0.00	9.00
Interdepartmental T	ransfers	2,345,674	1,845,674	. 0	1,845,674
		17.00	17.00	0.00	17.00
Revolving Funds		11,103,701	11,103,701	0	11,103,701
		353.00	353.00	2.00	355.00
Total Requirements		42,606,851	38,041,080	837,626	38,878,706

- 1. Provides \$565,464 in special funds to establish a ceiling for the Pest Inspection Quarantine and Eradication Fund.
- 2. Provides 2.00 permanent positions and \$142,662 in special funds for the agricultural park and non-agricultural park programs.
- 3. Provides \$20,000 in special funds to the Seal of Quality program to promote premium Hawaii agriculture products.
- 4. Provides \$109,500 in federal funds for the promotion of specialty crops.

Department of Agriculture (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:		* · · · · · · · · · · · · · · · · · · ·		
General Obligation Bonds	19,025,000	1,500,000	3,107,000	4,607,000
Federal Funds	1,500,000	1,500,000	106,000	1,606,000
Total Requirements	20,525,000	3,000,000	3,213,000	6,213,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides \$2,200,000 for Waimea Transfer Ditch Improvements.
- 2. Provides \$700,000 for R&M as identified by the Department's 6 year facilities plan.
- 3. Provides \$163,000 for Waiahole Water System Improvements.
- 4. Provides \$150,000 for the Molokai Hydropower Plant.

DEPARTMENT OF THE ATTORNEY GENERAL **Department Summary**

Mission Statement

To provide legal and other services to the State, including the agencies, officers, and employees of the executive, legislative, and judicial branches of the Hawaii government.

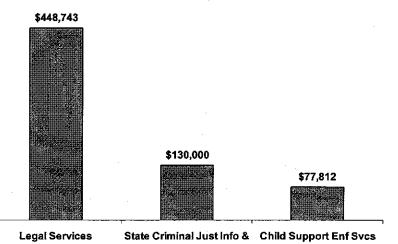
Department Goals

To safeguard the rights and interests of the people of the State of Hawaii by being the defender of and advocate for the people and undertaking appropriate legal and other actions on their behalf, to protect the State's interest in legal matters by providing excellent and timely legal advice and representation to the executive, legislative, and judicial branches; to preserve, protect, and defend the constitution and laws of the State of Hawaii and the United States, to enforce the State's constitution and laws, and to facilitate the enforcement of federal law; and to assist and coordinate statewide programs and activities that improve the criminal justice system and law enforcement.

Significant Measures of Effectiveness

- 1. Number of cases settled, tried, or decided
- 2. Percentage of complete dispositions on CJIS-Hawaii
- 3. Efficiency rating: Dollars collected per dollar expended

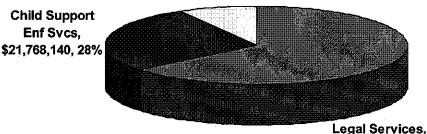
FY 2009 Supplemental Operating Budget Adjustments by Major Program



FY 2008 FY 2009 25,000 26,000 93 93 5 5

FY 2009 Supplemental **Operating Budget**

State Criminal Just Info & ID, \$6,382,525,8%



\$49,664,505, 64%

Enf Svcs.

DEPARTMENT OF THE ATTORNEY GENERAL MAJOR FUNCTIONS

- Provides legal services to the state agencies and employees; represents the State in all civil litigations in which the State is a party; conducts civil and criminal investigations; drafts and approves as to form the legality of various documents.
- Prosecutes criminal offenses, such as Medicaid fraud, welfare fraud, tax fraud, unemployment fraud, organized crime, and other crime against the public order; and initiates, develops and performs or coordinates programs, projects and activities on the subject of crime.
- Oversees the actions of the trustees of charitable trusts and to bring any abuse or deviation by the trustees to the attention of the probate court for possible correction.
- Seeks to enforce the federal and state antitrust laws to benefit businesses and consumers in the State of Hawaii and the overall welfare of the State of Hawaii

- Responsible for the enforcement of the Master Settlement Agreement pursuant to the Hawaii Revised Statutes Chapter 675 (HRS Chapter 675, State's Tobacco Liability Act); and the Cigarette Tax Stamp requirements and prohibition against the sale of Gray Market cigarettes.
- Maintains the automated statewide information system that collects, maintains, and disseminates individual criminal history record information for those arrested and fingerprinted.
- Administers the Child Support Enforcement Program, which involves initiating legal or administrative actions required to secure financial support for children.
- Provides a fair and impartial administrative forum for the expeditious resolution of child support disputes through the Office of Child Support hearings.

MAJOR PROGRAM AREAS

The Department of Attorney General has programs in the following major program areas:

Social Services

ATG 500

Child Support Enforcement Services

Public Safety

ATG 231

State Criminal Justice Information and Identification

Government-Wide Support

ATG 100

Legal Services

Department of the Attorney General (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	347.97	347.97	18.46	366.43
General Funds	\$	30,703,685	29,690,945	551,411	30,242,356
		18.00	18.00	0.00	18.00
Special Funds		1,893,738	1,889,738	.0	1,889,738
		177.68	177.68	0.32	178.00
Federal Funds		26,251,259	25,703,229	-29,173	25,674,056
Trust Funds		6,176,937	6,067,383	0	6,067,383
		54.85	54.85	1.50	56.35
Interdepartmental	Transfers	8,049,467	8,060,717	644	8,061,361
		30.50	30.50	3.00	33.50
Revolving Funds		5,739,353	5,746,603	133,673	5,880,276
		629.00	629.00	23.28	652.28
Total Requirements		78,814,439	77,158,615	656,555	77,815,170

- 1. Provides 7.28 positions and \$319,765 to support the Sex Offender Registration program and new requirements of the Adam Walsh Child Protection and Safety Act of 2006.
- 2. Adds 2.50 positions and \$141,875 to continue funding of Drug Nuisance Abatement Unit positions authorized by Act 180, SLH 2007.
- 3. Provides .68 positions and \$20,931 in general funds, and 1.32 positions and \$56,881 in federal funds to help establish and modify orders for child support.
- 4. Adds 1.00 position and \$106,985 in revolving funds for manpower support and digitizing records for the Notary program.

Department of the Attorney General (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustment	S	Total FY 2009	
Funding Sources: General Obligation Bonds Federal Funds						
Total Requirements		0	0	0		0

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted) None.

DEPARTMENT OF BUDGET AND FINANCE

Department Summary

Mission Statement

To enhance long-term productivity and efficiency in government operations by providing quality budget and financial services that prudently allocate and effectively manage available resources.

Department Goals

Improve the executive resource allocation process through planning, analysis and recommendation on all phases of program scope and funding; maximize the value, investment, and use of State funds through planning, policy development, timely scheduling of State bond financing and establishment of appropriate cash management controls and procedures; administer retirement and survivor benefits for State and County members and prudently manage the return on investments; administer health and life insurance benefits for eligible active and retired State and County public employees and their dependents by providing quality services and complying with federal and State legal requirements; ensure regulated companies provide adequate and reliable services at just and reasonable rates with a fair opportunity to earn a reasonable rate of return; and to safeguard the rights of indigent individuals in need of assistance in criminal and related cases by providing statutorily entitled and effective legal representation.

Significant Measures of E	ffectiveness
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- 1. Average annual rate of return on State treasury investments
- 2. Rate of interest paid on State bonds relative to the Bond Buyer Index for bonds of comparable term and credit

FY 2009 Supplemental Operating Budget Adjustments by Major Program

FY 2009 Supplemental Operating Budget

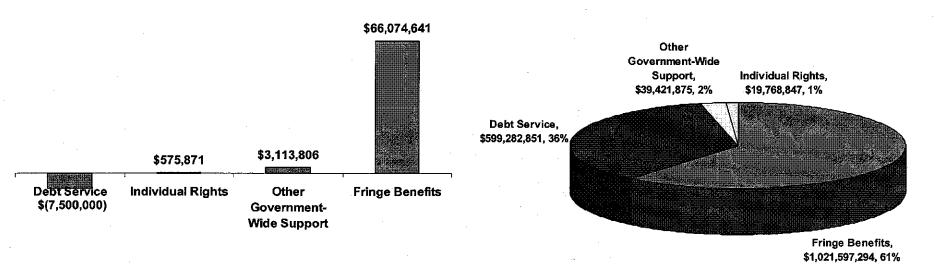
90

FY 2009

3

90

FY 2008



DEPARTMENT OF BUDGET AND FINANCE MAJOR FUNCTIONS

- Administers the multi-year program and financial plan and executive budget, management improvement, and financial management programs of the state under the general direction of the Governor
- Coordinates state budget services and prepares the Governor's budget for submission to the legislature; administers the financial affairs of the State
- Plans, directs and coordinates the State's investments and financing programs

- Directs and coordinates a statewide retirement benefits program for state and county government employees
- Administers health and life insurance benefits for eligible state and county active and retired public employees and dependents
- Provides comprehensive legal and related services to persons who are financially unable to obtain legal and related services
- Regulates all chartered, franchised, or certificated public service companies operating in the State

MAJOR PROGRAM AREAS

The Department of Budget and Finance has programs in the following major program areas:

Individual F	lights	Governmen	t-Wide Support
BUF 151	Office of the Public Defender	BUF 101	Departmental Administration and Budget
BUF 901	Public Utilities Commission		Division
		BUF 115	Financial Administration
		BUF 141	Employees' Retirement System
		BUF 143	Hawaii Employer - Union Trust Fund
		BUF 915	Debt Service Payments
		BUF 941	Retirement Benefits Payments
		BUF 943	Health Premium Payments

Department of Budget and Finance (Operating Budget)

	_	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	144.00	144.00	1.00	145.00
General Funds	\$	669,604,510	696,053,945	-27,929,980	668,123,965
		44.00	51.00	4.00	55.00
Special Funds		8,695,562	9,929,994	500,000	10,429,994
		30.00	30.00	1.00	31.00
Trust Funds		17,712,758	10,322,767	363,806	10,686,573
Interdepartmenta	l Transfers	849,914,757	890,549,627	86,580,492	977,130,119
		83.00	83.00	16.00	99.00
Other Funds		11,025,246	10,950,216	2,750,000	13,700,216
		301.00	308.00	22.00	330.00
Total Requirements	_	1,556,952,833	1,617,806,549	62,264,318	1,680,070,867

- 1. Reduces the general fund by \$21,189,213 and provides \$78,842,131 in inter-departmental transfer funds for employer contribution requirements for pension accumulation.
- 2. Reduces the general fund by \$3,378,638 and provides \$11,800,361 in inter-departmental transfer funds for employer contribution requirements for social security/medicare.
- 3. Reduces the general fund by \$3,438,000 and inter-departmental transfer funds by \$4,062,000 for debt service.
- 4. Provides 1.0 permanent position count and \$75,871 in general funds and 1.00 permanent position count and \$63,806 in Trust funds. Also provides for the conversion of temporary to permanent count for 4.00 special fund and 16.00 other fund positions.
- 5. Provides \$2,000,000 in other funds for implementation of Hybrid Plan options.
- 6. Provides \$500,000 in special funds to implement Section 269-95, HRS; \$500,000 in other funds for computer hardware and software maintenance and \$250,000 for staff overtime; and \$300,000 in trust funds for investment consultant services.

Department of Budget and Finance (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds	342,158,000	73,570,000	1,000,000	74,570,000
Total Requirements	342,158,000	73,570,000	1,000,000	74,570,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

1. Provides \$1,000,000 in G.O. Bond funds for repair and maintenance for Bishop Museum.

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM Department Summary

Mission Statement

To achieve a Hawaii economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all Hawaii's citizens to prosper.

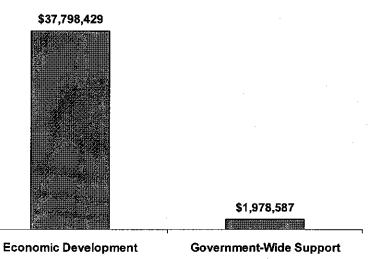
Department Goals

Lead efforts to understand and facilitate structural economic adjustments to improve the business environment and create conditions that reward productivity and entrepreneurship.

Significant Measures of Effectiveness	<u>FY 2008</u>	<u>FY 2009</u>
1. Annual percentage increase in Gross State Product	5	5
2. Number of new jobs created per annum	6,272	5,668

3. Investment generated by business development and promotional activities (\$M)

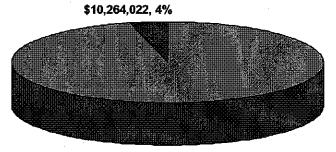
FY 2009 Supplemental Operating Budget Adjustments by Major Program



FY 2009 Supplemental Operating Budget

Government-Wide Support.

13



Economic Development, \$252,571,453, 96%

13

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM MAJOR FUNCTIONS

- Workforce Housing Create workforce housing units in high-quality living environments to support a skilled labor force in Hawaii.
- Human Capital Development Educate, develop, retain and attract a workforce with the skills required for an innovation-driven and globally-competitive economy.
- "Energy for Tomorrow" Fundamentally change how Hawaii consumes energy, by accelerating the production of renewable and alternative energy, increasing energy efficiency, developing and adopting new technologies, ensuring energy security and longterm environmental quality, and returning benefits to the consumer.

- Global Links Increase the flow of people, products, services and ideas between Hawaii and its export markets.
- Creation of an Innovation Infrastructure Create the infrastructure that enables Hawaii's creative and entrepreneurial talent to turn ideas into products and services.
- Improving Hawaii's Business Environment Lead public sector efforts to bring about a business environment that is market-driven, and rewards productivity and entrepreneurship.

MAJOR PROGRAM AREAS

The Department of Business, Economic Development and Tourism has programs in the following major program areas:

Economic Deve	elopment	G
BED 100	Strategic Marketing and Support	В
BED 105	Creative Industries Division	В
BED 107	Foreign Trade Zone	В
BED 113	Tourism	
BED 120	Strategic Industries	
BED 142	General Support for Economic Development	
BED 143	High Technology Development Corporation	
BED 145	Hawaii Strategic Development Corporation	
BED 146	Natural Energy Laboratory of Hawaii Authority	
BED 150	Hawaii Community Development Authority	
BED 151	Aloha Tower Development Corporation	
BED 160	Hawaii Housing Finance and Development Corporation	

Government-Wide Support					
BED 103	Statewide Land Use Management				
BED 130	Economic Planning and Research				
BED 144	Statewide Planning and Coordination				

Department of Business, Economic Development and Tourism (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	123.50	123.50	2.00	125.50
General Funds	\$	28,137,268	11,653,903	725,000	12,378,903
		22.50	22.50	0.00	22.50
Special Funds		156,162,597	152,436,322	8,012,904	160,449,226
		4.00	4.00	0.00	4.00
Federal Funds		20,428,521	20,303,525	1,978,587	22,282,112
Trust Funds		36,923,698	21,923,698	25,000,000	46,923,698
		4.00	4.00	1.00	5.00
Interdepartmental	Transfers	1,590,030	1,590,030	3,651,958	5,241,988
		31.00	31.00	0.00	31.00
Revolving Funds		15,149,846	15,150,981	408,567	15,559,548
		185.00	185.00	3.00	188.00
Total Requirements		258,391,960	223,058,459	39,777,016	262,835,475

- 1. Provides 4.00 temporary positions and \$1,623,390 in interdepartmental transfer funds to prepare a bioenergy master plan and to support the State's Lead By Example and Energy For Tomorrow initiatives.
- 2. Provides \$50,000 to support the science, technology, engineering and math (STEM) initiative.
- 3. Provides \$235,000 to expand Hawaii's aerospace industry.
- 4. Provides \$300,000 to support the Hawaii Small Business Innovation Research / Small Business Transfer Technology Grant Program.
- 5. Increases the Hydrogen Investment Capital Special Fund ceiling by \$6,012,904 to support the Hawaii Renewable Hydrogen Program.

Department of Business, Economic Development and Tourism (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:				
General Obligation Bonds	9,175,000	1,820,000	80,580,000	82,400,000
Revolving Funds	2,500,000	0	0	0
Total Requirements	11,675,000	1,820,000	80,580,000	82,400,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides \$26,000,000 to complete Kukui Gardens Rental Housing Complex Parcel A acquisition.
- 2. Provides \$25,000,000 for a Rental Housing Trust Fund infusion.
- 3. Provides \$25,000,000 for a Dwelling Unit Revolving Fund infusion.
- 4. Provides \$2,800,000 for Waiahole Valley Potable Water System replacement.
- 5. Provides \$850,000 for Kalaeloa Safety Improvement projects.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS Department Summary

Mission Statement

To fairly regulate business, while ensuring consumer protection in commercial transactions in Hawaii.

Department Goals

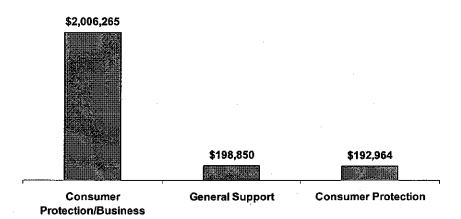
Regulation

To develop, promote, and implement rational business regulation; to consider the public interest and increase the opportunity for public involvement in the regulatory process; and to ensure fairness in the conduct of administrative hearings that address decisions made by department regulators.

Significant Measures of Effectiveness

- 1. Percentage of complaints resolved within 90 days
- 2. Percentage of new licenses issued within 10-12 business days
- 3. Number of businesses directly affected by investigations

FY 2009 Supplemental Operating Budget Adjustments by Major Program



FY 2009 Supplemental Operating Budget

97

95

2000

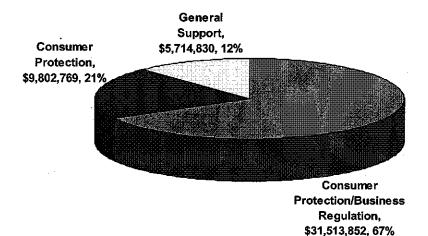
FY 2008

FY 2009

97

95

2000



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS MAJOR FUNCTIONS

- Develops standards relating to the licensing of and general supervision over the conduct of financial institutions, professions, businesses, trades, and insurance companies.
- Grants or denies the issuance professional, business and trade licenses; directs investigations, holds hearings, and suspends, revokes or reinstates licenses; makes, amends or repeals such rules and regulations deemed proper to fully effectuate the provisions of the laws within the Department's scope and jurisdiction.
- Represents, protects, and advances the interest of consumers of utility services; conducts investigations; assists and cooperates with Federal, State, and local agencies to protect the consumer's interests in the public utilities fields.

- Coordinates consumer protection activities in the State; conducts investigations, research, and enforces laws, rules, an regulations in the area of consumer protection; provides consumer education services and programs.
- Administers the laws of the State relating to corporations; partnerships; sales of securities; registration of trademarks, tradenames, prints and labels; miscellaneous business registrations; financial institutions; and the insurance industry; provides advice on business formation.
- Ensures that subscribers are provided with cable communication services which meet acceptable standards of quality, dependability, and fair rates; establishes technical standards of performances; maintains surveillance over filed rates, charges, terms, and conditions of services; and monitors the operations and management of cable television operators.

MAJOR PROGRAM AREAS

The Department of Commerce and Consumer Affairs has programs in the following major program area:

Individual Rights		Consumer P	rotection
Consumer Protection/Business Regulation		CCA 103	Consumer Advocate for Communication,
CCA 102	Cable Television		Utilities, and Transportation Services
CCA 104	Financial Institution Services	CCA 110	Office of Consumer Protection
CCA 105	Professional and Vocational Licensing	CCA 112	Regulated Industries Complaints Office
CCA 106	Insurance Regulatory Services	General Sup	port
CCA 111	Business Registration and Securities Regulation	CCA 191	General Support

Department of Commerce and Consumer Affairs (Operating Budget)

	_	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	392.00	392.00	6.00	398.00
Special Funds	\$	45,002,854	42,344,754	2,398,079	44,742,833
•		5.00	5.00	0.00	5.00
Trust Funds		2,288,618	2,288,618	0	2,288,618
		397.00	397.00	6.00	403.00
Total Requirements	<u>. </u>	47,291,472	44,633,372	2,398,079	47,031,451

- 1. Provides 4 permanent positions and \$379,643 in special funds for the Division of Financial Institution for Money Transmitter regulation.
- 2. Provides \$178,850 in special funds for maintenance and electricity cost for the King Kalakaua Building and State Office Tower's DCCA offices.
- 3. Provides 2 temporary positions and \$128,643 in special funds for the Regulated Industries Complaints Office for additional investigators.
- 4. Provides 1 permanent position and \$91,622 in special funds for the insurance market conduct regulation.
- 5. Provides \$65,000 in special funds for the Economic Cadre Program.
- 6. Provides \$20,000 in special funds for providing language access to non-English speaking consumers.

Department of Commerce and Consumer Affairs (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 200 9
Funding Sources: General Obligation Bonds Federal Funds	· 			·
Total Requirements		0	0	0 0

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted) None.

DEPARTMENT OF DEFENSE Department Summary

Mission Statement

To assist authorities in providing for the safety, welfare, and defense of the people of Hawaii.

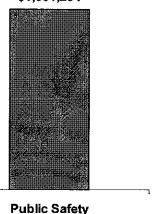
Department Goals

To maintain readiness to respond to the needs of the people in the event of disasters, either natural or human-caused; to administer policies and programs related to veterans and their families; to provide at-risk youth with opportunities to obtain their high school diplomas and become productive citizens.

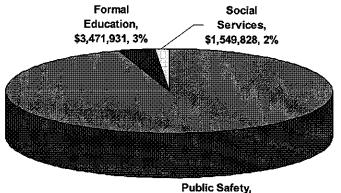
Significant Measures of Effectiveness	FY 2008	FY 2009
1. Percent of veterans' services plan achieved	95	95
2. Percent of corps members finding employment within one year of graduation	65	65

FY 2009 Supplemental Operating Budget Adjustments by Major Program

\$1,551,284



FY 2009 Supplemental Operating Budget



\$96,531,691, 95%

DEPARTMENT OF DEFENSE MAJOR FUNCTIONS

- Provides for the defense, safety and welfare of the people of Hawaii.
- Maintains its readiness to respond to the needs of the people in the event of war or devastation originating from either natural or human-caused disasters.
- To meet its federal mission as part of the military reserve component, the Hawaii National Guard, consisting of the Army and Air National Guard divisions, is manned, trained, equipped and ready for call to active duty by the President in times of national emergency. To meet its State mission, the Hawaii National Guard responds when necessary to protect life and property, preserve peace, order and public safety as directed by competent State authority.
- Coordinates the civil defense planning of all public and private organizations within the islands, minimizes the loss of life and property damage, restores essential public services, and expedites the recovery of individuals in the event of natural or human-caused mass casualty situations.
- Administers the Youth Challenge Academy, which serves youth at risk by providing life-transforming experience through training under military-like conditions.
- Office of Veterans Services Responsible for the statewide administration, conduct, and coordination of all functions and activities prescribed under Chapter 363, Veterans Rights and Benefits, HRS, for veterans and their dependents.

MAJOR PROGRAM AREAS

The Department of Defense has programs in the following major program areas:

Social Services

DEF 112 Services to Veterans

Formal Education

DEF 114 Hawaii National Guard Youth Challenge Academy

Public Safety

DEF 110 Amelioration of Physical Disasters

Department of Defense (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	151.80	151.80	2.00	153.80
General Funds	\$	12,591,402	12,019,959	1,145,182	13,165,141
		72.70	72.70	4.00	76.70
Federal Funds		75,537,182	75,641,996	281,855	75,923,851
County Funds		464,458	464,458	0	464,458
Interdepartmenta	l Transfers	12,000,000	12,000,000	0	12,000,000
		224.50	224.50	6.00	230.50
Total Requirements		100,593,042	100,126,413	1,427,037	101,553,450

- 1. Provides \$494,448 for Civil Defense Division to continue funding of existing Warning Section and Public Hazard Education staff as prescribed by Act 5, Disaster Emergency Preparedness Act of 2005.
- 2. Provides \$239,723 and \$308,537 in federal funds for Civil Defense Division, needed to perform functions directly related to the October 2006 Kiholo Bay Earthquake.
- 3. Provides \$114,000 for Civil Defense Division to continue funding of existing Logistics staff.

Department of Defense (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:				
General Obligation Bonds	14,675,000	4,680,000	0	4,680,000
Federal Funds	51,157,000	6,555,000	0	6,555,000
Total Requirements	65,832,000	11,235,000	0	11,235,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)
None

DEPARTMENT OF EDUCATION

Department Summary

Mission Statement

To ensure that all public school graduates will realize their goals and aspirations; have attitudes, knowledge and skills to contribute positively to and compete in a global society; exercise rights and responsibilities of citizenship; and pursue post-secondary education or careers without need for remediation. Hawaii State Public Library System will provide Hawaii's residents, in all walks of life, and at each stage of their lives, with access to education, information, programs and services, and to teach and nurture love of reading and life-long learning.

Department Goals

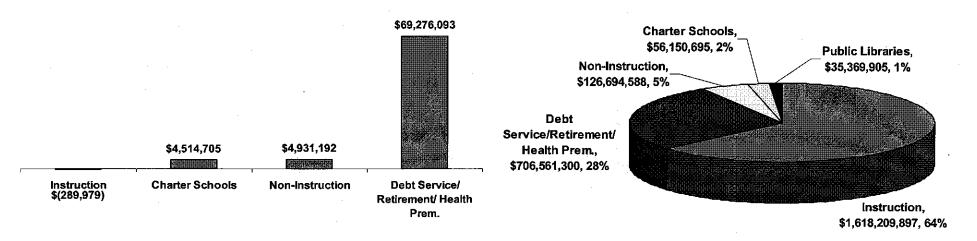
Public School Goals: to improve student achievement through standards-based education; provide comprehensive support for all students; and continuously improve performance and quality.

Hawaii State Library System Goals: Increase access to public library services and collections through innovative and effective methods and technologies; seek additional revenue sources and partnerships and make the best use of existing resources.

Significant Measures of Effectiveness	FY 2008	<u>FY 2009</u>
1. Percentage of freshmen graduating in four years	79.5	79.5
2. Percentage of students scoring proficient or exceeding proficiency in reading	50	50
3. Percentage of students scoring proficient or exceeding proficiency in math	28	28

FY 2009 Supplemental Operating Budget Adjustments by Major Program

FY 2009 Supplemental Operating Budget



DEPARTMENT OF EDUCATION MAJOR FUNCTIONS

- Under the direction of the Board of Education, the Department of Education manages the statewide system of public schools.
- The Board of Education also oversees the Hawaii State Public Library System, and serves as a policymaking body for the Charter Schools.
- The scope of educational programs and services of the public schools regularly encompasses grades kindergarten through twelve, and such pre-school programs and community/adult education programs as may be established by law.
- In addition to regular programs of instruction and support services, public schools offer special programs and services for qualified students with disabilities, gifted and talented students, students with limited English language proficiency, and students who are economically and culturally disadvantaged, schoolalienated, or institutionally confined.
- The Hawaii State Public Library System operates the Hawaii State Library, the Library for the Blind and Physically Handicapped, public libraries, and community public and school libraries.

MAJOR PROGRAM AREAS

The Department of Education has programs in the following major program areas:

Formal Ed EDN 100 EDN 150 EDN 200 EDN 300 EDN 400 EDN 407 EDN 500	School-Based Budgeting Comprehensive Student Support Services Instructional Support State and Complex Area Administration School Support Public Libraries	EDN 915 EDN 941 EDN 943	Debt Service Payments - DOE Retirement Benefits Payments - DOE Health Premium Payments - DOE
EDN 500 EDN 600	School Community Services Charter Schools		<u>-</u>

Department of Education (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	19,425.10	19,439.10	108.00	19,547.10
General Funds	\$	2,013,560,918	2,042,191,352	66,594,681	2,108,786,033
	•	732.50	732.50	0.00	732.50
Special Funds		32,931,825	33,531,825	0	33,531,825
		5.00	5.00	0.00	5.00
Federal Funds		262,206,533	261,847,302	0	261,847,302
Trust Funds		6,300,000	6,750,000	7,000,000	13,750,000
Interdepartmental	Transfers	12,300,000	13,800,000	0	13,800,000
		4.00	4.00	0.00	4.00
Revolving Funds		19,428,000	19,428,000	322,625	19,750,625
		20,166.60	20,180.60	108.00	20,288.60
Total Requirements	_	2,346,727,276	2,377,548,479	73,917,306	2,451,465,785

- 1. Provides 108.00 permanent positions for employee-based autism services.
- 2. Provides \$9,552,996 for additional Social Security and Medicare requirement.
- 3. Provides \$62,687,846 for additional Pension Accumulation requirement.
- 4. Reduces \$2,964,749 for debt service.

Department of Education (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:				
General Fund	50,000,000	0	0	0
Special Funds	292,158,000	43,570,000	0	43,570,000
General Obligation Bonds	650,000	0	180,000,000	180,000,000
Private Contributions	1,428,000	0	0	0
Total Requirements	344,236,000	43,570,000	180,000,000	223,570,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provided \$26,461,000 for lump sum funding for repair and maintenance of DOE facilities.
- 2. Provided \$120,000,000 for lump sum funding projects/priorities to be determined by DOE.
- 3. Provided \$4,000,000 for the renovation of Building 857 at McKinley High School.
- 4. Provided \$6,800,000 for the Kapaa Elementary School library.
- 5. Provided \$8,000,000 for a new classroom building at Lanai High and Elementary School.
- 6. Provided \$3,983,000 for the design of the new Kapolei II Elementary School.
- 7. Provided \$800,000 for the design of a new classroom building at Kaunakakai Elementary School.
- 8. Provided \$9,956,000 for a locker/shower building at Konawaena Middle School.

Department of Education - Charter Schools (Operating Budget)

	_	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	0.00	0.00	0.00	0.00
General Funds	. \$	51,635,990	51,635,990	4,514,705	56,150,695
		0.00	0.00	0.00	0.00
Total Requirements	_	51,635,990	51,635,990	4,514,705	56,150,695

- 1. Provides \$4,464,705 for new charter schools.
- 2. Provides \$50,000 for Charter School Review Panel operations.

Department of Education - Charter Schools (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 200	
Funding Sources: General Obligation Bonds Federal Funds				-	
Total Requirements	0		0	0	0

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)
None.

Department of Education - Public Libraries (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	555.55	555.55	0.00	555.55
General Funds	\$	30,556,588	30,879,661	0	30,879,661
Special Funds		3,125,000	3,125,000	0	3,125,000
Federal Funds		1,365,244	1,365,244	0	1,365,244
		555.55	555.55	0.00	555.55
Total Requirements		35,046,832	35,369,905	0	35,369,905

Department of Education - Public Libraries (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds	16,425,000	7,000,000	0	7,000,000
Total Requirements	16,425,000	7,000,000	0	7,000,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted) None.

OFFICE OF THE GOVERNOR Department Summary

Mission Statement

To enhance the effectiveness and efficiency of state programs by providing Executive direction, policy development, program coordination, and planning and budgeting.

Department Goals

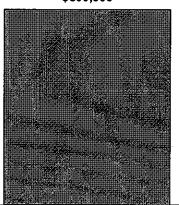
Improving the economic and social well-being of the citizens of Hawaii as measured by standard benchmarks; lead

Departments in working cooperatively across departmental divisions to deliver public services at the lowest possible costs; and
lead the Executive Branch to successfully shepherd bills through the Legislature that reflect priorities of the Governor's administration.

Significant Measures of Effectiveness
No applicable data.

FY 2009 Supplemental Operating Budget Adjustments by Major Program

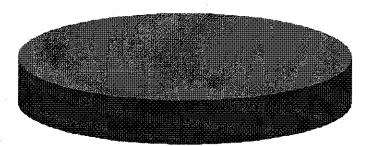
\$500,000



Office of the Governor

FY 2008 FY 2009

FY 2009 Supplemental Operating Budget



Office of the Governor, \$4,394,690, 100%

OFFICE OF THE GOVERNOR MAJOR FUNCTIONS

- Ensuring the economic well-being of the citizens as measured by standard benchmarks including gross state product, unemployment, economic growth, new business creation, immigration, per capita income, and capital formation.
- Ensuring the social well-being of the citizens as measured by standard benchmarks such as infant mortality, longevity, educational achievement, family formation, homeownership, environmental cleanliness, leisure time, charitable giving, crime statistics, and overcrowding.
- Ensuring Departments work cooperatively across departmental divisions to deliver public services at the lowest possible cost.
- Successfully shepherding Executive Branch bills through the Legislature that reflect the priorities of the Governor and her administration.

- Ensuring media stories accurately reflect the policies, goals, and priorities of the Administration.
- Minimizing turnover, improving retention, and expediting recruitment of the public workforce.
- Settlement of collective bargaining issues that result in multi-year contracts ensuring that disruptions in the delivery of public programs are minimized. Ensuring the ability of the state to adequately fund these settlements without adverse impact on the taxpayers of the State of Hawaii.

MAJOR PROGRAM AREAS

The Office of the Governor has a program in the following major program area:

Government-Wide Support

GOV 100 Office of the Governor

Office of the Governor (Operating Budget)

	_	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	37.00	37.00	0.00	37.00
General Funds	\$	3,894,690	3,894,690	0	3,894,690
Interdepartmental Transfers		0	0	500,000	500,000
		37.00	37.00	0.00	37.00
Total Requirements		3,894,690	3,894,690	500,000	4,394,690

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

1. Provides \$500,000 in inter-departmental transfer funds in FY 09 for the Fiftieth Anniversary of Statehood Commission.

Office of the Governor (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds	1,000	1,000	0	1,000
Total Requirements	1,000	1,000	0	1,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted) None.

DEPARTMENT OF HAWAIIAN HOME LANDS Department Summary

Mission Statement

To manage the Hawaiian Home Lands Trust effectively and to develop and deliver Hawaiian home lands to native Hawaiians.

Department Goals

To effectively manage the Hawaiian Home Lands Trust (HHLT) lands, water, and related resources; to develop and deliver lands for award to beneficiaries on an on-going basis; to develop and deliver program services that meet the housing needs of native Hawaiians; to effectively manage the HHLT financial resources; to effectively manage the department's human resources and to establish better relationships with the native Hawaiian community, governmental agencies, homestead communities, and the community at large.

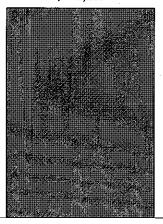
Significant Measures	of Effectiveness
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1. # new residential homesteads awarded as % of planned homesteads
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- 2. # direct residential loans granted as % of loans planned
- 3. # of homes constructed as % planned for construction

FY 2009 Supplemental Operating Budget Adjustments by Major Program

\$472,259



Social Services

FY 2009 Supplemental Operating Budget

FY 2009

100

100

100

FY 2008

100

100

100



Social Services, \$27,249,744, 100%

DEPARTMENT OF HAWAIIAN HOME LANDS MAJOR FUNCTIONS

- Identifying and assessing the needs of beneficiaries of the Hawaiian Homes Commission Act (HCCA) through research and planning; compiling data needed for the development and utilization of Hawaiian home lands and other physical resources of the Hawaiian Home Lands Trust; identifying Hawaiian home lands by physical characteristics, lands use, and planned use of the lands; and developing and updating regional master plans for designated areas.
- Developing, marketing, disposing of, and managing Hawaiian home lands not immediately needed or not suitable for homestead purposes by issuing general leases, revocable permits, licenses, and rights-of-entry to generate income to finance homestead lot development activities and DHHL's operational requirements.

- Developing Hawaiian home lands for homesteading and income-producing purposes by designing and constructing off-site and on-site improvements.
- Compiling wait lists of applicants for homestead leases; awarding homestead leases; providing loans for new home construction, repairs, and replacement and for development of farms and ranches; managing homestead areas on the islands of Oahu, Hawaii, Maui, Molokai, Kauai and Lanai; and providing for the maintenance, repairs, and operations of water systems, roads, and facilities.

MAJOR PROGRAM AREAS

The Department of Hawaiian Home Lands has two major program areas:

Social Services

HHL 602 Planning and Development for Hawaiian

Homesteads

HHL 625 Management & General Support for Hawaiian

Homesteads

Department of Hawaiian Home Lands (Operating Budget)

	_	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	18.00	18.00	0.00	18.00
General Funds	\$	1,169,174	920,520	0	920,520
		100.00	100.00	0.00	100.00
Special Funds		9,417,240	10,668,908	0	10,668,908
Federal Funds		16,393,455	9,600,545	0	9,600,545
		77.00	77.00	0.00	77.00
Trust Funds		5,587,512	5,587,512	472,259	6,059,771
		195.00	195.00	0.00	195.00
Total Requirements		32,567,381	26,777,485	472,259	27,249,744

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Provides temporary count and \$472,259 in trust funds for 5.00 temporary positions.
- 2. Transfers \$1,837,199 in special funds and 5.00 temporary position counts and \$428,792 in trust funds for administrative costs and staff to the program ID in which the costs are incurred.

Department of Hawaiian Home Lands

(Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:				
General Obligation Bonds	375,000	0	500,000	500,000
Revenue Bonds	0	0	100,000,000	100,000,000
Total Requirements	375,000	0	100,500,000	100,500,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides \$500,000 in G.O. Bond funds for the Keokea-Waiohuli Water Source Project.
- 2. Provides \$100,000,000 in revenue bond funds for HHL Development, Statewide.

DEPARTMENT OF HEALTH Department Summary

Mission Statement

To administer programs designed to protect, preserve, care for, and improve the physical and mental health of the people of the State.

Department Goals

To monitor, protect and enhance the health of all people in Hawaii by providing leadership in assessment, policy development, and assurance to promote health and well-being, to preserve a clean, healthy and natural environment, and to assure basic health care for all.

Significant Measures of Effectiveness

- 1. Mortality rate (per thousands)
- 2. Average life span of residents (years)
- 3. Percentage of reported vaccine preventable diseases investigated

80.5 80.5 100 100

6.4

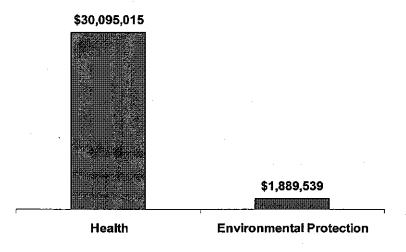
FY 2009

6.4

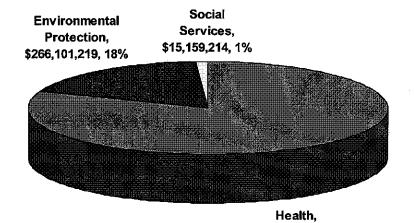
\$1,195,840,544,81%

FY 2008

FY 2009 Supplemental Operating Budget Adjustments by Major Program



FY 2009 Supplemental Operating Budget



DEPARTMENT OF HEALTH MAJOR FUNCTIONS

- Plans, directs and administers statewide programs to protect, preserve and improve the physical, mental and environmental health of Hawaii's residents.
- Administers programs for the prevention, control and treatment of infectious and communicable diseases; coordinates bioterrorism preparedness planning activities and integrating these activities with surveillance and response mechanisms.
- Administers community based programs that provide and coordinate health intervention services and support for at-risk families, populations and communities who are most likely to experience unhealthy outcomes.
- Provides public health nursing intervention services in the areas of communicable disease, disaster outbreaks care coordination, follow-up and monitoring for at-risk populations and nursing supervision, oversight and intervention in the public schools.
- Plans, coordinates and provides statewide mental health services which include treatment, consultative and preventive components for individuals; also plans, coordinates and implements statewide services relative to alcohol and drug abuse.

- Provides services and supports to individuals with developmental disabilities or mental retardation and their families to attain quality of life.
- Plans, provides and promotes health services to mothers, children and youth and family planning services. Also promotes optimal oral health; develops and implements methods of prevention and early detection of oral diseases and abnormalities and for the control of such conditions when they are not prevented.
- Implements and maintains the statewide programs for air, water, noise, radiation and indoor air pollution control; noise, safe drinking water, solid waste and wastewater management, and programs which protect consumers from unsafe foods, drugs, cosmetics, and medical devices.
- Administers the statewide emergency medical services system.
- Administers a statewide laboratories program which conducts analysis in support of environmental health and communicable disease monitoring and control activities.

MAJOR PROGRAM AREAS

The Department of Health has programs in the following major program areas:

Environme	ntal Protection	HTH 907	General Administration
HTH 840	Environmental Management		
HTH 849	Environmental Health Administration	Social Serv	vices
HTH 850	Office of Environmental Quality Control	HTH 520	Disability and Communication Access Board
		HTH 904	Executive Office on Aging
Health			
HTH 100	Communicable Disease Services		
HTH 131	Disease Outbreak Control		
HTH 141	Dental Diseases		
HTH 210	Hawaii Health Systems Corporation		
HTH 211	Kahuku Hospital		
HTH 420	Adult Mental Health – Outpatient		
HTH 430	Adult Mental Health – Inpatient		
HTH 440	Alcohol and Drug Abuse		
HTH 460	Child and Adolescent Mental Health		
HTH 495	Behavioral Health Administration		
HTH 501	Developmental Disabilities		
HTH 560	Family Health Services		
HTH 580	Community Health Services	•	
HTH 590	Tobacco Settlement		
HTH 595	Health Resources Administration		
HTH 610	Environmental Health Services		
HTH 710	State Laboratory Services		
HTH 720	Health Care Assurance		
HTH 730	Emergency Medical Services and Injury		·
	Prevention System		
HTH 760	Health Status Monitoring		
HTH 905	Developmental Disabilities Council		
HTH 906	State Health Planning and Development Agency		

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Department of Health (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	2,396.10	2,396.10	15.44	2,411.54
General Funds	\$	441,711,070	444,322,122	16,914,025	461,236,147
		121.70	121.70	1.80	123.50
Special Funds		193,323,627	189,457,556	7,693,474	197,151,030
		357.35	357.35	1.96	359.31
Federal Funds		110,004,382	110,025,792	3,706,237	113,732,029
		5.00	5.00	0.00	5.00
Interdepartmental	Transfers	69,923,870	74,905,144	2,022,156	76,927,300
		67.40	67.40	0.80	68.20
Revolving Funds		167,822,848	167,822,848	1,648,662	169,471,510
		2,947.55	2,947.55	20.00	2,967.55
Total Requirements		982,785,797	986,533,462	31,984,554	1,018,518,016

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Provides \$10,000,000 for Adult Mental Health purchase-of-service which allow adults with severe and persistent mental illness to live in community settings. These include case management (targeted, intensive), residential services, crisis outreach, and supportive services.
- 2. Provides \$4,159,533 and \$207,190 in special funds for Emergency Medical Services System to fund collective bargaining increases in FY09 for contracting agencies providing emergency ambulance services on the islands of Oahu, Hawaii, Kauai, Maui, Molokai, and Maui.
- 3. Provides \$1,224,206 and \$1,659,671 in interdepartmental funds for Developmental Disabilities Division Title XIX Home and Community Based Services.
- 4. Provides \$1,194,301 for Developmental Disabilities Division Title XIX Home and Community Based Services to address reduction in the Medicare reimbursement rate.
- 5. Establishes a \$6,882,307 Trauma System Special Fund ceiling.
- 6. Increase the Environmental Response Revolving Fund ceiling by \$1,623,390 to support energy initiatives.

Department of Health (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:				
General Obligation Bonds	25,444,000	7,702,000	9,423,000	17,125,000
Federal Funds	13,327,000	13,327,000	3,299,000	16,626,000
Total Requirements	38,771,000	21,029,000	12,722,000	33,751,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides \$660,000 and \$3,299,000 in federal funds for the Wastewater Treatment Revolving Fund.
- 2. Provides \$3,406,000 for Hawaii State Hospital, Psychiatric Intensive Care Unit and Secure Residential Treatment Unit.
- 3. Provides \$3,000,000 for Hawaii State Hospital, repairs and improvements to various buildings.
- 4. Provides \$868,000 for various improvements to Department of Health facilities, statewide.
- 5. Provides \$1,489,000 for various improvements to buildings and site at Waimano Ridge.

Department of Health - Hawaii Health Systems Corporation (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	0.00	0.00	0.00	0.00
General Funds	\$	55,112,232	55,122,961	0	55,122,961
		2,836.25	2,836.25	0.00	2,836.25
Special Funds		379,654,000	403,460,000	0	403,460,000
		2,836.25	2,836.25	0.00	2,836.25
Total Requirements		434,766,232	458,582,961	0	458,582,961

Highlights of the Executive Supplemental Budget Request: (general funds unless noted) None.

Department of Health - Hawaii Health Systems Corporation (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009		FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds	23,920,000		0	11,282,000	11,282,000
Total Requirements	23,920,000		0	11,282,000	11,282,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides \$2,484,000 to purchase and install new digital x-ray equipment for Maluhia, Kohala, Kula, Hale Ho'ola Hamakua, Ka'u and Sam Mahelona Memorial Hospitals.
- 2. Provides \$1,917,000 to upgrade nurse call systems at Hilo Medical Center and Leahi and Ka'u Hopsitals.
- 3. Provides \$1,318,000 for plumbing upgrades at Lanai Community Hospital.
- 4. Provides \$1,300,000 to replace the large capacity cesspools at Kula Hospital with a compliant wastewater treatment system, and to replace the dietary grease trap.
- 5. Provides \$1,000,000 for seismic mitigation measures at Kona Community Hospital.
- 6. Provides \$1,000,000 for planning for Kauai Region hospitals.

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT Department Summary

Mission Statement

To provide resources and services to support the Governor and State agencies in the recruitment, management and retention of a qualified and productive workforce.

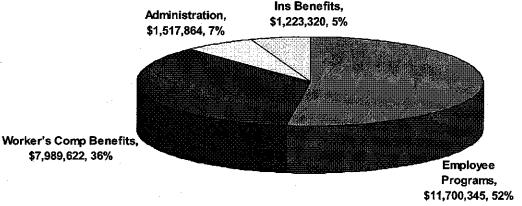
Department Goals

To improve systems for recruitment and retention to ensure that the State will have a qualified and productive workforce; review practices, procedures, resources, competencies and workload and improve performance of core functions to adequately support departments and the Administration; promote training opportunities for employees in the Executive Branch agencies.

Significant Measures of Effectiveness	FY 2008	FY 2009
1. % of certificates issued within 5 calendar days where list of eligibles exist	75	75
2. % of certificates issued within 95 calendar days where list of eligibles does not exist	30	30
3. % contract grievances settled without third party assistance	90	90

FY 2009 Supplemental Operating Budget Adjustments by Major Program FY 2009 Supplemental Operating Budget

No operating budget adjustments.



Unemployment

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT MAJOR FUNCTIONS

- Administers the State personnel program, provides administrative support services to statutorily and executively assigned commissions and boards, and represents the State on other commissions and committees.
- Plans, organizes, directs and coordinates the various activities of the State personnel program in personnel development and training, recruitment, examination, position classification, pay administration, workers' compensation payments, and labor relations within the scope of laws, rules and established policies.
- Develops and administers Classification and Compensation System(s) for Civil Service positions including the establishment and maintenance of classes and their experience and training requirements; the pricing of classes; and the assignment of positions to classes, bargaining units and other administrative units.

- Establishes and maintains statewide policies, procedures, programs, and services that provide guidance and support to the line departments of the Executive Branch with regard to employee relations, employee benefits programs; reports on the workforce composition and employment trends; statewide employee training and development programs.
- Plans and administers statewide (except for DOE and UH) workers' compensation program, claims management, Return to Work Priority Program, and a safety and accident prevention program.
- Conducts statewide staffing and consultative advisory services, including Human Resources research and development projects to forecast, plan for and effectuate effective staffing strategies before staffing issues become acute or impact public services; implements strategies to attract and retain employees by competitively filling positions, and develops and administers a statewide recruitment program.

MAJOR PROGRAM AREAS

The Department of Human Resources Development has a program in the following major program area:

Government-Wide Support

HRD 102 Work Force Attraction, Selection, Classification and Efficiency

HRD 191

Supporting Services - Human Resources Dev.

Department of Human Resources Development (Operating Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: Positions	112.00	112.00	0.00	112.00
General Funds \$	16,847,468	16,844,870	0	16,844,870
Special Funds	700,000	700,000	0	700,000
Interdepartmental Transfers_	4,886,281	4,886,281	0	4,886,281
	112.00	112.00	0.00	112.00
Total Requirements	22,433,749	22,431,151	0	22,431,151

Highlights of the Executive Supplemental Budget Request: (general funds unless noted) None.

Department of Human Resources Development (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds Federal Funds				
Total Requirements)	0	0 0

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)
None.

DEPARTMENT OF HUMAN SERVICES

Department Summary

Mission Statement

To provide timely, efficient and effective programs, services and benefits, through the day-in and day-out efforts of our committed staff, for the purpose of achieving the outcome of empowering those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life and personal dignity.

Department Goals

Customers First

Accountability for Outcomes

Provide Self-Sufficiency Options

Personal Responsibility for Actions

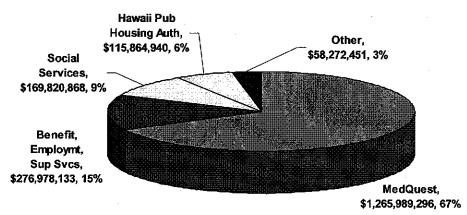
Partnering to Create Opportunities

Significant Measures of Effectiveness	FY 2008	FY 2009
1. % Temporary Assistance to Needy Families recipients in work program exiting due to	20	15
earnings		
2. % QUEST members satisfied with the managed care health program	88	88
3. % dependent adults with Adult Protective Services not reabused or neglected	95	95

FY 2009 Supplemental Operating Budget Adjustments by Major Program

\$2,467,111 \$1,807,503 \$1,489,311 \$1,212,023 Hawaii Pub Benefit, Social MedQuest Other Housing Auth Employmt, Services Sup Svcs

FY 2009 Supplemental Operating Budget



DEPARTMENT OF HUMAN SERVICES MAJOR FUNCTIONS

- Provides employment related services, childcare services, and economic assistance to eligible families and individuals.
- Provides medical assistance programs to eligible families and individuals.
- Provides child welfare and adult and community care services to eligible families and individuals.

- Provides a continuum of prevention, rehabilitation and treatment services and programs for youth at risk.
- Serves as a catalyst to provide Hawaii residents with affordable housing and shelter.
- Administers programs of vocational rehabilitation, independent living rehabilitation, services for the blind, and disability determination.

MAJOR PROGRAM AREAS

The Department of Human Services has programs in the following major program areas:

Employment HMS 802	Vocational Rehabilitation	HMS 238 HMS 301 HMS 302	Disability Determination Child Protective Services General Support for Child	HMS 902 HMS 903	General Support for Health Care Payments General Support for Self-
Social Services			Care		Sufficiency Services
HMS 206	Federal Assistance Payments	HMS 303	Child Protective Services	HMS 904	General Administration
HMS 211	Cash Support for Families -		Payments		(DHS)
	Self-Sufficiency	HMS 305	Cash Support for Child Care		
HMS 212	Cash Support for Aged, Blind	HMS 401	Health Care Payments	Individual Rigi	hts
	and Disabled Individuals	HMS 501	In-Community Youth	HMS 888	Commission on the Status of
HMS 220	Rental Housing Services		Programs		Women
HMS 222	Rental Assistance Services	HMS 503	Hawaii Youth Correctional		
HMS 224	Homeless Services		Facility (HYCF)		•
HMS 225	Private Housing	HMS 601	Adult and Community Care		
	Development and Ownership		Services		
HMS 229	HPHA Administration	HMS 605	Community-Based		
HMS 236	Case Management for Self-		Residential Support		
	Sufficiency	HMS 901	General Support for Social		
HTH 237	Employment and Training		Services	•	

Department of Human Services (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	1,307.03	1,307.03	51.64	1,358.67
General Funds	\$	764,478,884	776,011,204	5,065,489	781,076,693
Special Funds		450,000	450,000	0	450,000
		1,151.97	1,151.97	45.86	1,197.83
Federal Funds		1,024,958,165	1,041,955,421	6,226,767	1,048,182,188
Private Contribut	tions	10,000	10,000	0	10,000
		0.50	0.50	-0.50	0.00
Interdepartmenta	l Transfers	44,706,209	44,706,209	-16,308	44,689,901
		37.00	37.00	0.00	37.00
Revolving Funds		12,839,531	12,839,531	-322,625	12,516,906
		2,496.50	2,496.50	97.00	2,593.50
Total Requirements	_	1,847,442,789	1,875,972,365	10,953,323	1,886,925,688

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Add \$4,300,000 for Homeless Services to provide funding for shelters that will become operational under the Governor's emergency proclamation.
- 2. Reduce Teacher Housing (HMS 807) by \$322,625 in Revolving funds to transfer the function and funding to the Department of Education (EDN 400) in accordance with Act 204/05.
- 3. Convert 13.00 temporary positions to permanent for the Benefit, Employment and Support Services Division.
- 4. Establish 3.00 Registered Professional Nurse positions for the Hawaii Youth Correctional Facility.
- 5. Convert 72.00 temporary positions to permanent for the MedQUEST program.
- 6. Add \$7,027,516 in Federal funds to increase the Federal fund fringe benefit rate to 46% for all programs.

Department of Human Services (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009		FY 2009 Adjustments	Total FY 2009
Funding Sources:	20.742.000		_	15 410 000	
General Obligation Bonds	30,712,000		0	46,410,000	46,410,000
Total Requirements	30,712,000		0	46,410,000	46,410,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. \$6,410,000 for elevator improvements for public housing projects statewide.
- 2. \$20,000,000 for lump sum CIP non-routine repair and maintenance, improvements and renovations to public housing
- 3. \$20,000,000 to purchase or build a permanent facility for the homeless in Honolulu.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS Department Summary

Mission Statement

To increase the economic security, physical and economic well being and productivity of workers and achieve industrial peace.

Department Goals

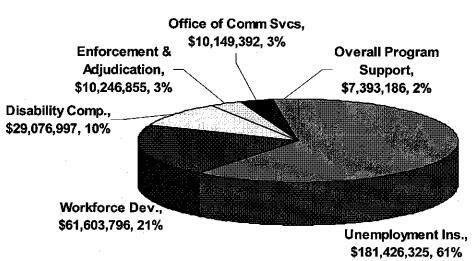
To promote access to employment and assess the needs and skills of the workforce; to alleviate the economic hardship of workers during periods of disability or temporary unemployment; to protect the employment rights of workers and to assure a safe and healthy workplace; to develop, deliver and coordinate information to meet labor market supply and demand; and to promote the harmonious working relationship between business, labor, educators, and government agencies.

Significant Measures of Effectiveness	FY 2008	FY 2009
1. Percentage of job applicants who found jobs.	56	56
2. Percentage of federally-mandated reports that meet deadlines.	99	99

FY 2009 Supplemental Operating Budget Adjustments by Major Program

\$696,000 \$11,869 Office of Comm Svcs Enforcement & Adjudication

FY 2009 Supplemental Operating Budget



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS MAJOR FUNCTIONS

- Administers federal and state programs designed to improve the economic security, occupational safety and health, working conditions, and productivity of workers, and maintain favorable labor-management relationships throughout the State.
- Administers comprehensive employment and training services to both job seekers and employers through a system of employment offices located statewide.
- Administers the State Unemployment Insurance program. Ensures that fair hearings before impartial appeals referees are provided to employers and claimants with respect to determinations made by the department regarding unemployment insurance benefits, disaster unemployment insurance, and other security decisions.

- Administers and enforces that State's occupational safety and health laws.
- Administers all activities pertinent to the management of the Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care laws and programs.
- Administers and enforces State labor laws dealing with wages and other compensation, hours, child labor, family leave, and related rules and regulations.
- Conducts program, labor market, and economic research to augment and enhance management decisions and policy making capabilities.
- Provides oversight, consultation, and technical assistance to state agencies on language access requirements.

MAJOR PROGRAM AREAS

The Department of Labor and Industrial Relations has programs in the following major program area:

Employment			
LBR 111	Workforce Development Program	LBR 316	Office of Language Access
LBR 135	Workforce Development Council	LBR 812	Labor and Industrial Relations Appeals Board
LBR 143	Hawaii Occupational Safety and Health Program	LBR 871	Employment Security Appeals Referees' Office
LBR 152	Wage Standard Program	LBR 901	Data Gathering, Research and Analysis
LBR 153	Hawaii Civil Rights Commission	LBR 902	General Administration
LBR 161	Hawaii Labor Relations Board	LBR 903	Office of Community Services
LBR 171	Unemployment Insurance Program	LBR 905	Hawaii Career (Kokua) Information Delivery System
LBR 183	Disability Compensation Program		

Department of Labor and Industrial Relations (Operating Budget)

	_	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	266.14	266.14	-0.50	265.64
General Funds	\$	19,881,509	18,159,145	65,000	18,224,145
		8.00	8.00	0.00	8.00
Special Funds		197,108,379	197,108,379	. 0	197,108,379
		434.10	434.10	0.00	434.10
Federal Funds		80,207,787	80,207,814	0	80,207,814
Interdepartmental	Transfers	3,663,344	3,663,344	642,869	4,306,213
Revolving Funds		50,000	50,000	0	50,000
		708.24	708.24	-0.50	707.74
Total Requirements	_	300,911,019	299,188,682	707,869	299,896,551

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Reduced (0.5) permanent position for Wage Standards Program for vacant/unfunded Clerical Supervisor position (position no. 0067).
- 2. Increased Office of Community Services' Employment Core Services Programs for Low-Income Persons and for Immigrants by \$696,000 interdepartmental transfer from the Department of Human Services' federally funded Temporary Assistance to Needy Families Program.
- 3. Reduced (1.0) temporary interdepartmental position and funds from Department of Accounting and General Services, Public Works Division (Capital Improvement Program) for Wage Standards Program for vacant Labor Law Enforcement Specialist (position no. 52283).

Department of Labor and Industrial Relations (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds	4,786,000	0	C	0
Total Requirements	4,786,000	0		0

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted) None.

DEPARTMENT OF LAND AND NATURAL RESOURCES Department Summary

Mission Statement

To conserve, protect, and manage Hawaii's natural and cultural resources for the benefit of present and future generations.

Department Goals

To seek, develop and implement cost-effective strategies for the long-term sustainable management, maintenance, protection and utilization of existing and potential, ocean, land, natural and cultural resources of the State of Hawaii in an integrated manner and in partnership with others from the public and private sectors. Additionally, prevent the establishment of invasive species detrimental to native habitats, while promoting responsible use, understanding, and respect for Hawaii's resources.

Significant Measures	of Effectiveness
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- 1. Dollar amount of revenues transferred to OHA (\$000)
- 2. No. of permits (camping) issued statewide
- 3. Marine protected areas (acres)
- 4. No. of acres enrolled in watershed partnerships as % of plan

FY 2009 Supplemental Operating Budget Adjustments by Major Program

FY 2009 Supplemental Operating Budget

60

FY 2009

1,914

12,000

598,000

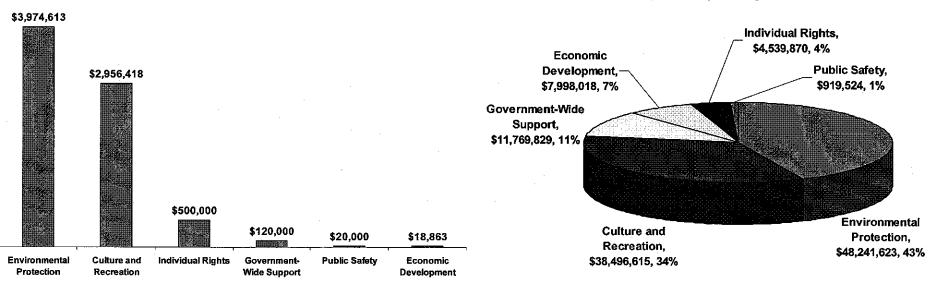
60 -

FY 2008

1,914

12,000

598,000



DEPARTMENT OF LAND AND NATURAL RESOURCES MAJOR FUNCTIONS

- Implement programs to conserve, protect, develop and utilize the State's natural and cultural resources.
- Preserve and enhance native and indigenous fish and other aquatic species and their habitats for residents and visitors.
- Promote the safe and responsible use of Hawaii's natural resources through firm, fair and effective law enforcement.
- Provide accurate, timely and permanent system of registering and recording land title and related documents and maps.

- Manage the conservation, protection, planning, and utilization of the State's water resources for social, economic and environmental requirements.
- Provide safe and enjoyable recreation opportunities.
- Develop and maintain a comprehensive program of historic preservation to promote the use and conservation of historical and cultural sites.
- Collects and disseminates data relating to natural resources.
 Cooperates and partners with public and private agencies to maximize funding leverage.

MAJOR PROGRAM AREAS

The Department of Land and Natural Resources has programs in the following major program areas:

The Departin	ent of Land and Natural Resources has programs in the	tonowing major	program areas.
Economic I	Development	Culture and	l Recreation
LNR 141	Water and Land Development	LNR 801	Ocean-Based Recreation
LNR 153	Commercial Fisheries and Resource	LNR 802	Historic Preservation
	Enhancement	LNR 804	Forest and Outdoor Recreation
LNR 172	Forestry Resource Management and	LNR 805	Recreational Fisheries
	Development	LNR 806	Parks Administration and Operation
Environme	ntal Protection	Public Safe	ty
LNR 401	Aquatic Resources	LNR 810	Prevention of Natural Disasters
LNR 402	Native Resources and Fire Protection Program		
LNR 404	Water Resources	Individual l	Rights
LNR 405	Conservation and Resources Enforcement	LNR 111	Conveyances and Recordings
LNR 407	Natural Area Reserves and Watershed		
	Management	Governmen	t Wide Support
LNR 906	LNR-Natural and Physical Environment	LNR 101	Public Lands Management

Department of Land and Natural Resources (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	470.25	482.25	18.00	500.25
General Funds	\$	34,258,380	33,008,346	1,524,415	34,532,761
		289.00	293.00	3.00	296.00
Special Funds		59,163,502	56,651,539	4,806,779	61,458,318
		15.25	15.25	0.00	15.25
Federal Funds		13,388,275	13,927,126	1,258,700	15,185,826
		1.00	1.00	0.00	1.00
Revolving Funds		788,574	788,574	. 0	788,574
		775.50	791.50	21.00	812.50
Total Requirements		107,598,731	104,375,585	7,589,894	111,965,479

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Provided \$575,732 for 11.00 Conservation and Resources Enforcement Officers to meet increased enforcement demands statewide and 4.00 Clerk Typist positions; also includes \$550,000 for new officer startup costs.
- 2. Provided \$121,812 and 3.00 temporary positions in the State Historic Preservation program for Compliance Specialists and Librarian positions; \$70,000 for reinternment costs; and \$60,000 lease rent costs for a Kona office.
- 3. Provided \$500,000 in special funds to the Bureau of Conveyances for computer network upgrades.
- 4. Provided \$20,000 for consultant services for the Flood and Dam Safety program and provides for the conversion of a temporary Information Technology position to permanent.
- 5. Provided \$47,304 in additional funding for State Park's lifeguard services contract on Oahu.
- 6. Provided \$1,800,000 to increase the State Parks Special Fund ceiling to accommodate funds from the Hawaii Tourism Authority.
- 7. Provided a ceiling increase of \$2,000,000 for the Natural Area Reserves Special Fund to support current and future program funding.
- 6. Provided \$1,258,700 in federal fund ceiling increases in various Division of Aquatic Resources program to support current and future program funding.

Department of Land and Natural Resources (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:				
Special Funds	4,230,000	2,270,000	-1,770,000	500,000
General Obligation Bonds	47,046,000	23,498,000	23,501,000	46,999,000
Reimbursable G.O. Bonds	10,000,000	1,000,000	0	1,000,000
Federal Funds	9,820,000	13,820,000	0	13,820,000
Private Contributions	250,000	0	0	0
County Funds	1,750,000	0	0	0
Interdepartmental Transfers	2,905,000	11,500,000	. 0	11,500,000
Total Requirements	76,001,000	52,088,000	21,731,000	73,819,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provided \$10,000,000 for improvements to small boat harbor (SBH) facilities statewide that includes projects for Lahaina SBH, Honokohau SBH, Ala Wai SBH, Port Allen SBH and Haleiwa SBH.
- 2. Provided \$5,000,000 for improvements to State Parks facilities statewide.
- 3. Provided \$2,270,000 for dam assessments, maintenance and remediation, statewide.
- 4. Provided \$2,905,000 for the North Kona water system improvements; lapsed \$2,905,000 in interdepartmental transfer funds.

OFFICE OF THE LIEUTENANT GOVERNOR Department Summary

Mission Statement

To enhance the efficiency and effectiveness of state programs by providing leadership and executive management.

Department Goals

To provide effective leadership and executive management, and protect the public's interest by ensuring that government processes are open.

Significant Measures of Effectiveness

- 1. Total revenue from sales as a percentage of cost of publication
- 2. Number of requests for general guidance (attorney of the day)

80 80 800 800

FY 2008

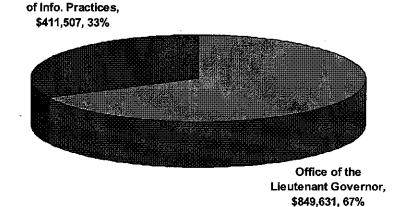
Enforcement

FY 2009 Supplemental Operating Budget Adjustments by Major Program

FY 2009 Supplemental Operating Budget

FY 2009

No operating budget adjustments.



OFFICE OF THE LIEUTENANT GOVERNOR MAJOR FUNCTIONS

- Exercise the executive powers whenever the Governor is absent from the State or unable to exercise and discharge the powers and duties of the office; serve as the Secretary of State for intergovernmental relations; and provide administrative support to the Office of Information Practices.
- Perform duties and undertake projects assigned by the Governor. Currently, these duties include public safety issues, Hawaii Drug Control Strategic Plan, Native Hawaiian issues, and economic development.
- Provide general advice and guidance to agencies and the public on the UIPA and the Sunshine Law; assist the public in obtaining records and responses to record requests; conduct inquiries into an agency's compliance with the UIPA and the Sunshine Law; and investigate alleged violations of these laws.

MAJOR PROGRAM AREAS

The Office of the Lieutenant Governor has programs in the following major program areas:

Individual Rights

LTG 105 Enforcement of Information Practices

Government-Wide Support

LTG 100 Office of the Lieutenant Governor

Office of the Lieutenant Governor (Operating Budget)

	_	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	8.00	8.00	0.00	8.00
General Funds	\$	1,261,092	1,261,138	0	1,261,138
		8.00	8.00	0.00	8.00
Total Requirements	_	1,261,092	1,261,138	0	1,261,138

Highlights of the Executive Supplemental Budget Request: (general funds unless noted) None.

Office of the Lieutenant Governor (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds Federal Funds	· -			
Total Requirements	0		0	0 0

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted) None.

DEPARTMENT OF PUBLIC SAFETY Department Summary

Mission Statement

To provide for the safety of the public and State facilities through law enforcement and correctional management.

Department Goals

To protect the individual and property from injury and loss caused by criminal actions by providing and coordinating services, facilities, security, and legislation to preserve the peace; to prevent and deter crimes; to detect, apprehend, detain, and rehabilitate criminals; and, where appropriate, to compensate victims of crime.

Significant Measures of Effectiveness

3 J	===+++	= = = = = =
1. Number of arrests made by departmental law enforcement officers	82	85
2. Number of escapes from confinement facilities	. 0	0
3. Number of parole violators returned to prison	400	400

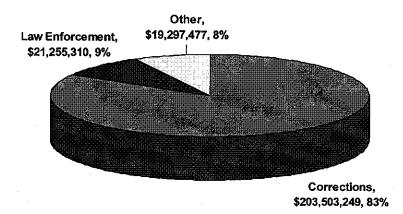
FY 2009 Supplemental Operating Budget Adjustments by Major Program

\$4,870,034 \$983,976 \$201,994 Corrections Law Enforcement Other

FY 2009 Supplemental Operating Budget

FY 2009

FY 2008



DEPARTMENT OF PUBLIC SAFETY MAJOR FUNCTIONS

- Administers various public safety programs that are designed to prevent and deter criminal acts, and to incarcerate and rehabilitate criminal offenders.
- Administers the operations of the eight correctional institutions throughout the State for the custody and care of offenders detained or committed by the courts to the department in safe, clean, and humane conditions of confinement.
- Provides a continuum of treatment programs and services to facilitate the reintegration of offenders back into the community.
- Administers a correctional industries program that employs inmates in work programs that produce goods and services for government agencies and nonprofit organizations, and affords inmates job training and work experience to enhance their employment prospects when they return to the community.
- Determines minimum terms of imprisonment for convicted felons; grants conditional release of felons from institutions under conditions of parole; and reports on petitions for pardon referred by the Governor.

- Administers diversionary programs as well as alternatives to incarceration; conducts pretrial investigations and bail evaluations; and supervises offenders conditionally released by the courts.
- Administers statewide law enforcement programs that
 protect the public as well as safeguard State property
 and facilities; enforces laws, rules, and regulations to
 prevent and control crime; and provides law
 enforcement services at the Honolulu International
 Airport.
- Regulates the manufacture, distribution, sale, prescription, and dispensing of controlled substances in the State by issuing applications and permits to conduct transactions; and investigates and enforces laws, rules and regulations relative to controlled substances.
- Mitigates the suffering and losses of victims and survivors of certain crimes by providing them with compensation for crime related losses; and, compensates private citizens (Good Samaritans) who suffer personal injury or property damage in the course of preventing a crime or apprehending a criminal.

MAJOR PROGRAM AREAS

The Department of Public Safety has programs in the following major program area:

Public Safety

Corrections	Law Enforcement		<u>ement</u>
PSD 402	Halawa Correctional Facility	PSD 502	Narcotics Enforcement
PSD 403	Kulani Correctional Facility	PSD 503	Sheriff
PSD 404	Waiawa Correctional Facility		
PSD 405	Hawaii Community Correctional Center	<u>Other</u>	
PSD 406	Maui Community Correctional Center	PSD 611	Adult Parole Determinations
PSD 407	Oahu Community Correctional Center	PSD 612	Adult Parole Supervision and Counseling
PSD 408	Kauai Community Correctional Center	PSD 613	Crime Victim Compensation Commission
PSD 409	Women's Community Correctional Center	PSD 900	General Administration
PSD 410	Intake Service Centers		
PSD 420	Corrections Program Services	·	
PSD 421	Health Care		
PSD 422	Hawaii Correctional Industries		
PSD 808	Non-State Facilities		

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Department of Public Safety (Operating Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: Positions	2,566.20	2,566.20	44.00	2,610.20
General Funds \$	218,994,228	219,503,916	5,127,828	224,631,744
	8.00	8.00	0.00	8.00
Special Funds	2,537,667	2,537,667	0	2,537,667
	7.00	7.00	0.00	7.00
Federal Funds	1,678,143	1,678,143	0	1,678,143
County Funds	209,721	209,721	0	209,721
Trust Funds	153,705	75,065	0	75,065
	64.00	64.00	12.00	76.00
Interdepartmental Transfers	5,277,821	5,277,821	928,176	6,205,997
	8.00	8.00	0.00	8.00
Revolving Funds	7,998,719	7,974,719	0	7,974,719
Other Funds	742,980	742,980	0	742,980
	2,653.20	2,653.20	56.00	2,709.20
Total Requirements	237,592,984	238,000,032	6,056,004	244,056,036

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Provides an additional 21.00 FTE and \$748,600 for mental health positions to support mental health services systemwide.
- 2. Provides an additional 3.00 FTE and \$156,240 for nursing services system-wide.
- 3. Provides \$1,373,836 for increased medical expenses related to higher pharmacy, Hepatitis C treatment, and out-of-facility expenses.
- 4. Provides \$1,171,962 for increased costs for food supplies and additional R&M for food service facilities.
- 5. Provides an additional 1.00 FTE and \$298,128 for substance abuse services.
- 6. Provides an additional 5.00 FTE and \$201,994 for the Inmate Classification Office.
- 7. Provides an additional 12.00 FTE and \$928,176 in interdepartmental transfer funds to expand Deputy Sheriff services to Hawaii, Kauai, and Maui airports.
- 8. Provides \$471,462 for increased utilities expenses system-wide.
- 9. Provides an additional 12.00 FTE and \$276,709 for ACO positions for the Hawaii Community Correctional Center's Wainuenue Housing Unit and the Hale Nani Work Release facility.

Department of Public Safety (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009		FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds	17,092,000		0	56,000,000	56,000,000
Total Requirements	17,092,000		0	56,000,000	56,000,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides \$50,000,000 for Phase 1 of a new Maui Regional Public Safety Complex at Puunene, Maui.
- 2. Provides \$6,000,000 in lump sum funding for PSD facilities to address the deterioration of the physical plant and building systems.

DEPARTMENT OF TAXATION Department Summary

Mission Statement

To administer the tax laws of the State of Hawaii in a consistent, uniform and fair manner by educating taxpayers on tax laws, by developing a professional staff and by using technology to increase efficiency and effectiveness.

Department Goals

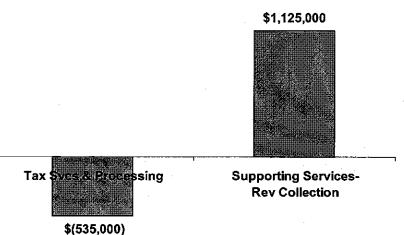
To provide one-stop customer service; to increase collection capabilities through efficient allocation of resources; to simplify taxpayer filings, provide a more user-friendly interface with the public, speed up refunds and expedite delinquent referrals; to automate tax filings, billings and collections; to expand capacity for research and revenue analysis; to permit more flexibility in accommodating tax law changes and initiatives to improve tax administration.

Significant Measures	of Effectiveness
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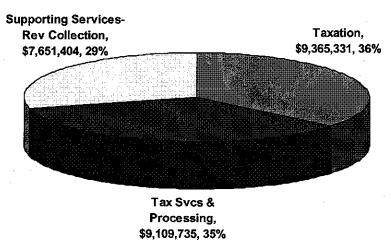
- 1. Average call answer rate
- 2. Percent of tax returns audited resulting in adjustments
- 3. Average business days to deposit checks received from taxpayers

FY 2009	<u>FY 2008</u>
80	80
85	85
17	17

FY 2009 Supplemental Operating Budget Adjustments by Major Program



FY 2009 Supplemental Operating Budget



DEPARTMENT OF TAXATION MAJOR FUNCTIONS

- Administers and enforces the tax laws of Hawaii and the collection of taxes and other payments.
- Coordinates a centralized system for receiving and processing of all tax returns, payments and documents.
- Provides one-stop customer service, assistance and information on all taxes administered by the department to customers who walk in, call-in, correspond or e-mail.
- Administers a comprehensive and uniform compliance program based on self-assessment and voluntary compliance.

- Conducts audits and investigations of all types of tax returns.
- Conducts and enforces collection of delinquent taxes by appropriate collection procedures.
- Plans, organizes and coordinates a tax research and tax planning program.
- Provides administrative and research support to the Council on Revenues which prepares revenue estimates for the State on a quarterly basis.

MAJOR PROGRAM AREAS

The Department of Taxation has a program in the following major program area:

Government-Wide Support

	io iiiao support
TAX 100	Taxation
TAX 105	Tax Services and Processing
TAX 107	Supporting Services – Revenue Collection

Department of Taxation

(Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 200 9
Funding Sources:	Positions	404.50	404.50	1.00	405.50
General Funds	\$	25,353,566	25,084,470	590,000	25,674,470
Special Funds		452,000	452,000	0	452,000
		404.50	404.50	1.00	405.50
Total Requirements		25,805,566	25,536,470	590,000	26,126,470

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Add \$90,000 for the network backbone upgrade to reduce backup times.
- 2. Add \$233,000 for the County Surcharge to purge/archive data, automate categories or errors to eliminate the need to manually address these items, and to address compliance issues.
- 3. Add \$267,000 to enable on-line filing for 3 tax forms (HW-3, N-20, and N-30) in the aim of achieving the Governor's paperless by 2010 initiative.

Department of Taxation (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources: General Obligation Bonds Federal Funds			·	
Total Requirements		0	0	00

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)
None.

DEPARTMENT OF TRANSPORTATION Department Summary

Mission Statement

To provide a safe, efficient, accessible, and inter-modal transportation system that ensures the mobility of people and goods, and enhances and/or preserves economic prosperity and the quality of life.

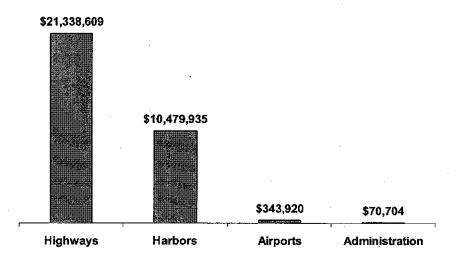
Department Goals

Achieve an integrated multi-modal transportation system through upgrades and expansions to assure mobility and accessibility to support and sustain cargo and passenger operations; ensure the safety and security of the air; land and water transportation systems; protect and enhance Hawaii's unique environment and improve the quality of life; support Hawaii's economic vitality; implement a statewide planning process that is comprehensive, cooperative and continuing; and improve the overall financial program through greater efficiency, development, management and oversight of revenue sources.

Significant Measures of Effectiveness

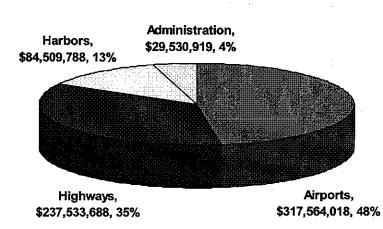
- 1. Number of accidents per 100,000 square feet.
- 2. Total cargo tons processed per acre excluding water area.
- 3. Maintenance costs per 10-lane mile.

FY 2009 Supplemental Operating Budget Adjustments by Major Program



FY 2008	FY 2009
7	7
36,653	36,728
1,348,043	1,348,043

FY 2009 Supplemental Operating Budget



DEPARTMENT OF TRANSPORTATION MAJOR FUNCTIONS

- Carries out programs to improve, maintain, and operate transportation facilities of the State
- Administers the operations of the airports program of the State government by equipping, regulating and protecting the state system of public airports and related facilities. Plans, designs, develops, acquires, and constructs new and expanded airports and facilities as well as reconstructs existing airports and facilities.
- Plans, designs, and supervises the construction and maintenance of the State Highway System. Alters, modifies, or revises such highway system as maybe required.
- Administers and maintains the operations of the harbors program of the State government by equipping, regulating, and protecting the State system of harbors and related facilities. Plans, develops, acquires, and constructs new and expanding harbors and facilities as well as maintaining and reconstructing existing harbors and facilities.

- Provides for the determination of statewide transportation needs, the continuous survey and inventory of planned resources, and the creation of statewide, inter and multi modal transportation systems network plans
- Encourages, fosters and assists in the development of aeronautical, water, and land transportation in the State; and provides for the protection and promotion of safety in aeronautics and water transportation.
- Plans, reviews, implements a comprehensive uniform state highway safety program to comply with applicable federal and state laws.
- Statutory and administrative oversight of the Commission on Transportation, Highway Safety Council and the Medical Advisory Board.

MAJOR PROGRAM AREAS

The Department of Transportation has programs in the following major program area:

Transportation Facilities and Services

<u>Airports</u>			
TRN 102	Honolulu International Airport	TRN 395	Harbors Administration
TRN 104	General Aviation	,	
TRN 111	Hilo International Airport	<u>Highways</u>	
TRN 114	Kona International Airport at Ke'ahole	TRN 501	Oahu Highways
TRN 116	Waimea-Kohala Airport	TRN 511	Hawaii Highways
TRN 118	Upolu Airport	TRN 531	Maui Highways
TRN 131	Kahului Airport	TRN 541	Molokai Highways
TRN 133	Hana Airport	TRN 551	Lanai Highways
TRN 135	Kapalua Airport	TRN 561	Kauai Highways
TRN 141	Molokai Airport	TRN 595	Highways Administration
TRN 143	Kalaupapa Airport	TRN 597	Highways Safety
TRN 151	Lanai Airport		
TRN 161	Lihue Airport	<u>Administration</u>	<u>on</u>
TRN 163	Port Allen Airport	TRN 995	General Administration
TRN 195	Airports Administration		
<u>Harbors</u>	*		
TRN 301	Honolulu Harbor		
TRN 303	Kalaeloa Barbers Point Harbor		
TRN 305	Kewalo Basin		,
TRN 311	Hilo Harbor		
TRN 313	Kawaihae Harbor		
TRN 331	Kahului Harbor		
TRN 341	Kaunakakai Harbor	•	•
TRN 351	Kaumalapau Harbor		
TRN 361	Nawiliwili Harbor	•	
TRN 363	Port Allen Harbor	•	

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Department of Transportation (Operating Budget)

	_	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	2,145.00	2,146.00	19.00	2,165.00
Special Funds	\$	595,680,627	600,198,960	30,987,199	631,186,159
		9.00	9.00	0.00	9.00
Federal Funds		44,013,066	36,565,316	1,245,969	37,811,285
Private Contribu	tions	140,969	140,969	0	140,969
		2,154.00	2,155.00	19.00	2,174.00
Total Requirements		639,834,662	636,905,245	32,233,168	669,138,413

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Provided \$6,000,000 in highway special funds for Phase II of a Nimitz Highway and Ala Moana Boulevard Resurfacing and Highway Lighting Replacement, Fort Street to Kalakaua Avenue, project. The \$6,000,000 will be used to resurface Ala Moana Boulevard from Piikoi Street to Kalakaua Avenue. Phase I, which is currently ongoing, would resurface Ala Moana Boulevard from Fort Street Mall to Piikoi Street.
- 2. Provided \$3,900,000 in highway special funds to meet Environmental Protection Agency requirements to implement a Storm Water Management Program Plan, including drainline cleaning, training of maintenance and other personnel involved in the Highways Storm Water Program, and a public education and outreach program.

Department of Transportation (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:			,	
Special Funds	152,528,000	60,393,000	-2,858,000	57,535,000
General Obligation Bonds	1,200,000	0	0	0
Revenue Bonds	217,757,000	49,038,000	387,196,000	436,234,000
Federal Funds	160,293,000	96,511,000	17,280,000	113,791,000
Private Contributions	15,575,000	0	0	0
Interdepartmental Transfers	17,225,000	0	0	0
Other Funds	1,075,000	100,000	0	100,000
Total Requirements	565,653,000	206,042,000	401,618,000	607,660,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provided \$50,800,000 in airport revenue bond funds for FY 09 for Honolulu International Airport, New Parking Structure at Lot F, Oahu.
- 2. Provided \$68,651,000 in airport revenue bond funds for FY 09 for Honolulu International Airport, Elliot Street Support Facilities, Oahu.
- 3. Provided \$46,181,000 in airport revenue bond funds for FY 09 for Honolulu International Airport, Ewa Concourse Improvements, Oahu.
- 4. Provided \$124,375,000 in harbors revenue bond funds for FY 09 for Harbors Modernization Projects, statewide.

UNIVERSITY OF HAWAII Department Summary

Mission Statement

To serve the public by creating, preserving, and transmitting knowledge in a multi-cultural environment.

Department Goals

To achieve educational effectiveness and student success; provide a learning, research, and service network; be a model local, regional, and global university; maximize investment in faculty, staff, students, and their environment; and provide resources and stewardship.

Significant Measures of Effectiveness

1.	Percentage of	of degrees	granted to	freshman	four years ago
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- 2. Percentage of graduates entering UH graduate schools
- 3. Course completion ratio of undergraduates

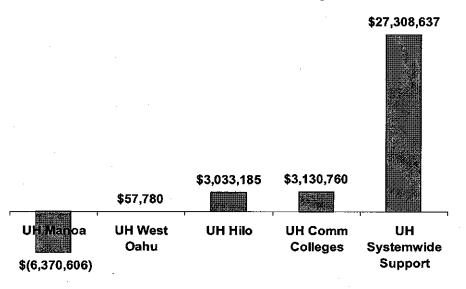
68 68 18 18 96 96

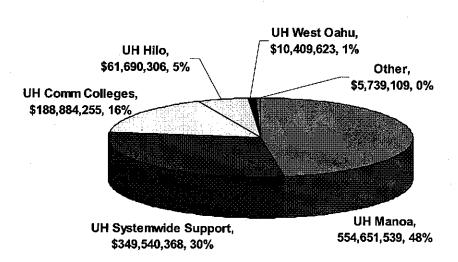
FY 2009

FY 2008

FY 2009 Supplemental Operating Budget Adjustments by Major Program

FY 2009 Supplemental Operating Budget





UNIVERSITY OF HAWAII MAJOR FUNCTIONS

- Provides instruction, research and public service in the fields of the liberal arts and sciences, agriculture, professional education, medicine, law, health sciences, business administration, engineering sciences and such other branches of the higher learning as the Board of Regents prescribes.
- Administers and operates a system of community colleges; coordinates academic programs which include college transfer, general education, vocational, technical, semi-professional, and continuing education programs; coordinates community service programs with the various campuses, community agencies and groups; and coordinates student-related programs and services.
- Operates a summer session which gives variety and flexibility to the instructional programs of the University; provides college-level instruction to

- students who wish to obtain it during the summer; accommodates teaching institutes, workshops, and special courses with schedules of varying lengths; sponsors lecture series and other cultural events during the summer and supervises overseas study tours offered for credit.
- Provides key personnel in the government policy-making process with timely research, analyses and data concerning governmental and related problems to enable them to make informed decisions among alternative courses of action.
- Participates in intercollegiate athletics programs for men and women; contributes toward the availability of nonacademic cultural, social, recreational and intellectual programs made available to the students, faculty and community at large; and provides a limited intercollegiate program for a variety of minor sports.

MAJOR PROGRAM AREAS

The University of Hawaii has programs in the following major program areas:

Formal Edu	ucation	UOH 941	Retirement Benefits Payments - UH
UOH 100	University of Hawaii, Manoa	UOH 943	Health Premium Payments - UH
UOH 210	University of Hawaii, Hilo		
UOH 220	Small Business Development	Culture an	d Recreation
UOH 700	University of Hawaii, West Oahu	UOH 881	University of Hawaii, Aquaria
UOH 800	University of Hawaii, Community Colleges		•
UOH 900	University of Hawaii, Systemwide Support		
UOH 915	Debt Service Payments – UH		

University of Hawaii (Operating Budget)

		Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:	Positions	6,321.09	6,422.59	39.00	6,461.59
General Funds	\$	670,485,075	714,532,333	24,159,756	738,692,089
		383.25	407.25	0.00	407.25
Special Funds		284,254,059	320,251,607	3,000,000	323,251,607
		97.66	97.66	0.00	97.66
Federal Funds		11,005,438	11,005,438	0	11,005,438
		140.75	140.75	10.00	150.75
Revolving Funds		97,791,851	97,966,066	0	97,966,066
		6,942.75	7,068.25	49.00	7,117.25
Total Requirements		1,063,536,423	1,143,755,444	27,159,756	1,170,915,200

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

- 1. Provides 41.00 positions and \$4,355,357 for additional resources to improve and expand security at University of Hawaii campuses.
- 2. Adds 8.00 positions and \$2,500,000 to improve student and faculty access to library collections and services at UH Manoa.
- 3. Provides \$17,304,399 in FY 09 for adjustments to UH's portion of debt service, pension and health benefits costs.
- 4. Increase special fund ceiling by \$3,000,000 to accommodate revenue increases for instruction, student housing, and auxiliary services at UH Hilo.

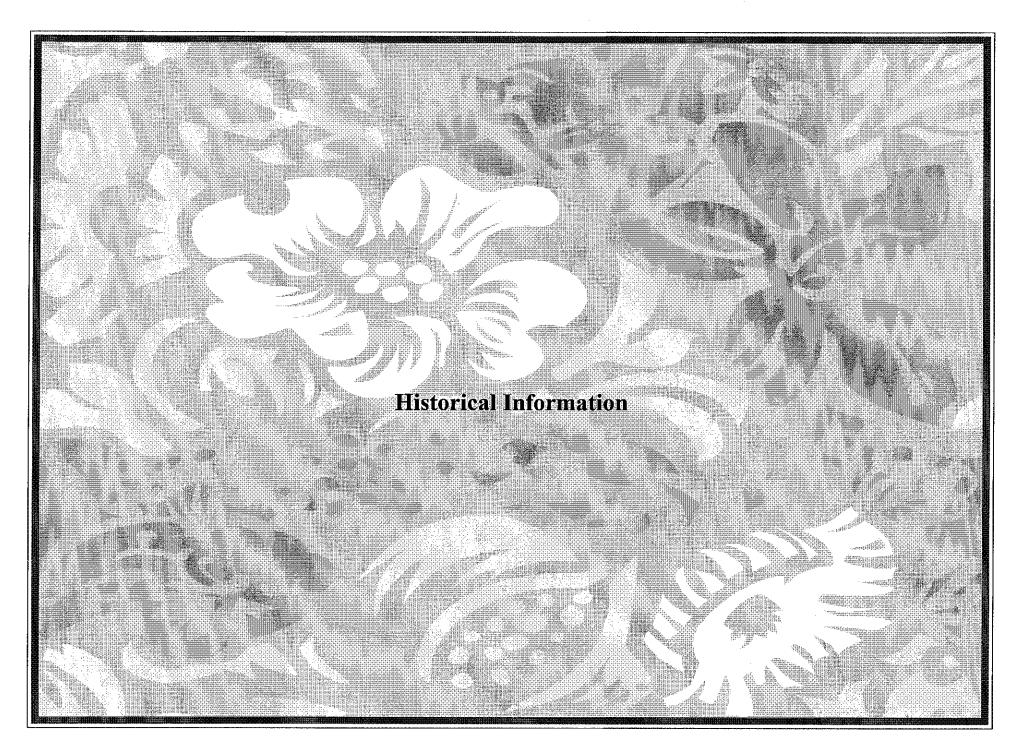
University of Hawaii (Capital Improvements Budget)

	Act 213/2007 FY 2008	Act 213/2007 FY 2009	FY 2009 Adjustments	Total FY 2009
Funding Sources:		11110		
Special Funds	100,000,000	0	.0	0
General Obligation Bonds	183,036,000	1,640,000	86,971,000	88,611,000
Revenue Bonds	0	14,383,000	13,617,000	28,000,000
Federal Funds	3,300,000	33,000,000	0	33,000,000
Private Contributions	2,500,000	0	0	0
Revolving Funds	2,300,000	0	0	0
Total Requirements	291,136,000	49,023,000	100,588,000	149,611,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides \$50,000,000 for health, safety, and code requirements; and repair and maintenance projects for University facilities.
- 2. Adds \$19,893,000 for a new Hawaiian Language Building at UH Hilo.
- 3. Provides \$7,883,000 in general obligation bond funds and \$13,617,000 in revenue bonds for renovation and addition to the Campus Center Complex at UH Manoa.
- 4. Adds \$3,500,000 for a new electrical generator at UH Hilo to provide a dedicated power source to the campus.
- 5. Provides \$3,195,000 to renovate the women's locker room and related areas at the Duke Kahanamoku Aquatic Complex at UH Manoa.
- 6. Adds \$2,500,000 to retrofit existing air conditioning system for energy conservation measures at Bilger Addition at UH Manoa.

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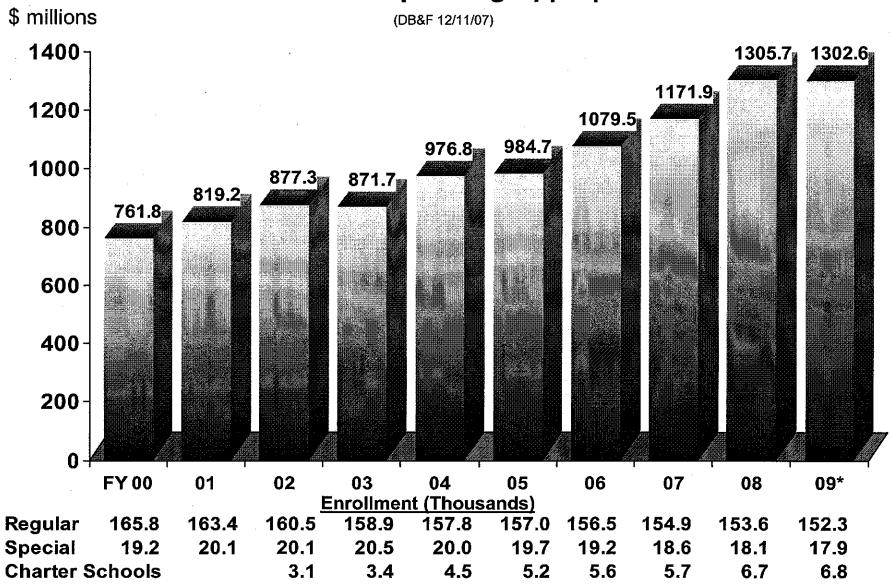
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General Fund Revenues, Expenditures and Fund Balance (in \$ millions)

Fiscal <u>Year</u>	Revenues	Expenditures	Revenues Over Exp.	Fund <u>Balance</u>
1998	3,231.6	3,213.5	18.1	153.8
1999	3,286.3	3,251.1	35.2	189.0 *
2000	3,284.1	3,201.0	83.1	272.1 *
2001	3,441.6	3,364.6	77.0	349.1 *
2002	3,441.0	3,656.1	(215.1)	134.0
2003	3,788.9	3,805.7	(16.8)	117.2
2004	3,907.7	3,840.3	67.4	184.6
2005	4,486.4	4,184.6	301.8	486.4 *
2006	4,925.0	4,679.1	245.9	732.3 *
2007	5,142.1	5,381.0	(238.9)	493.4 *

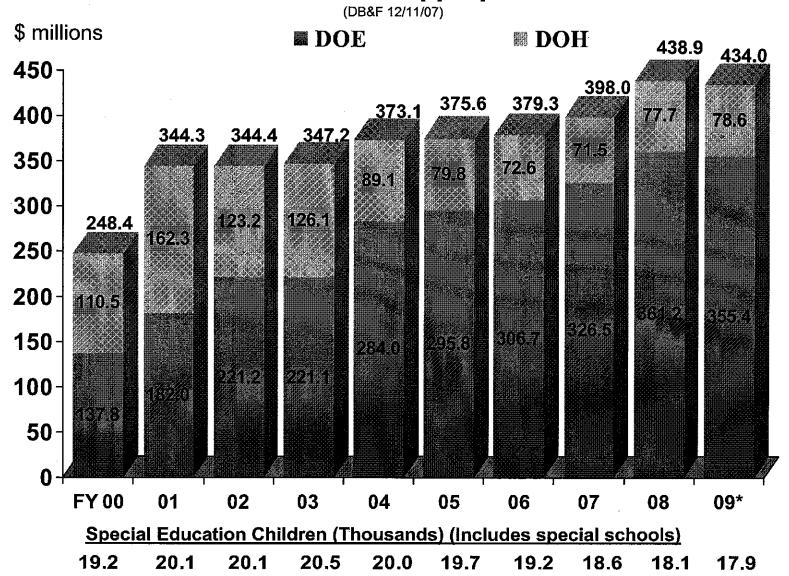
^{*} Note: Fiscal Years in which Fund Balance exceeds 5% of Revenues

Department of Education Instruction General Fund Operating Appropriations



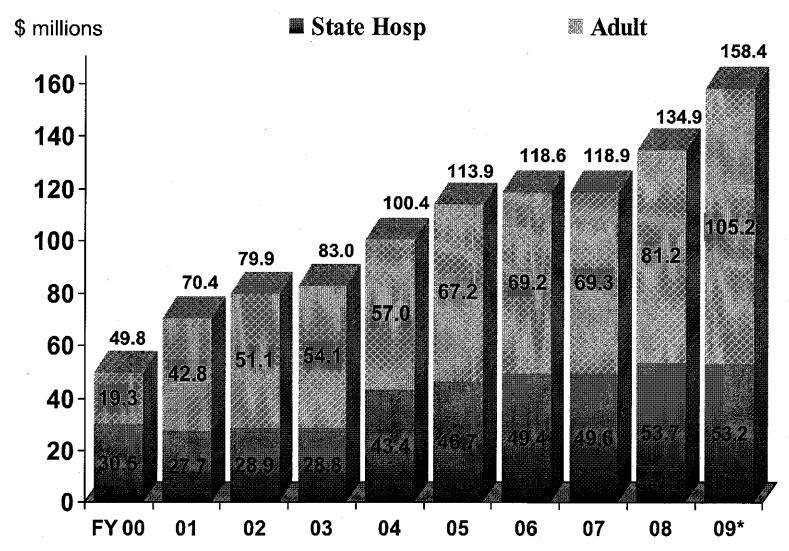
^{*}FY 09 reflects the Executive request.

Department of Education/Department of Health Special Education General Fund Appropriations

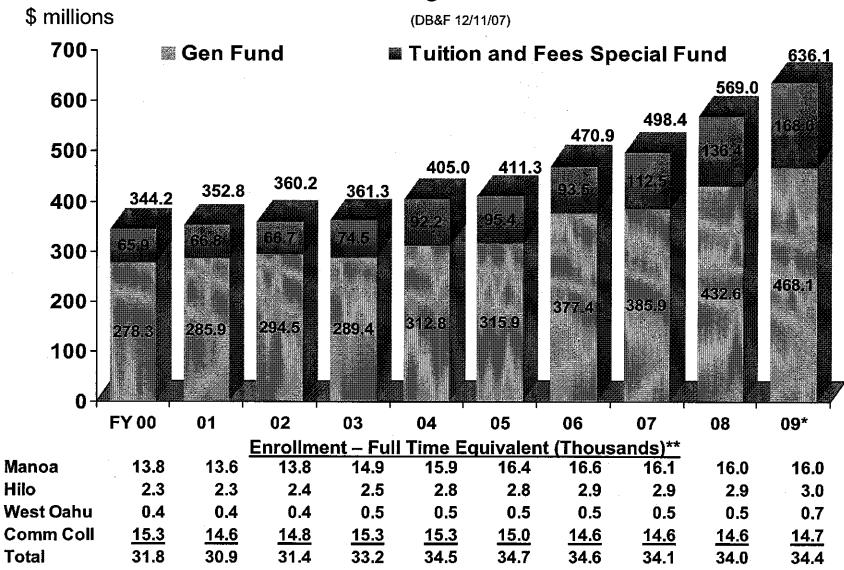


^{*}FY 09 reflects the Executive request.

Adult Mental Health General Fund Appropriations



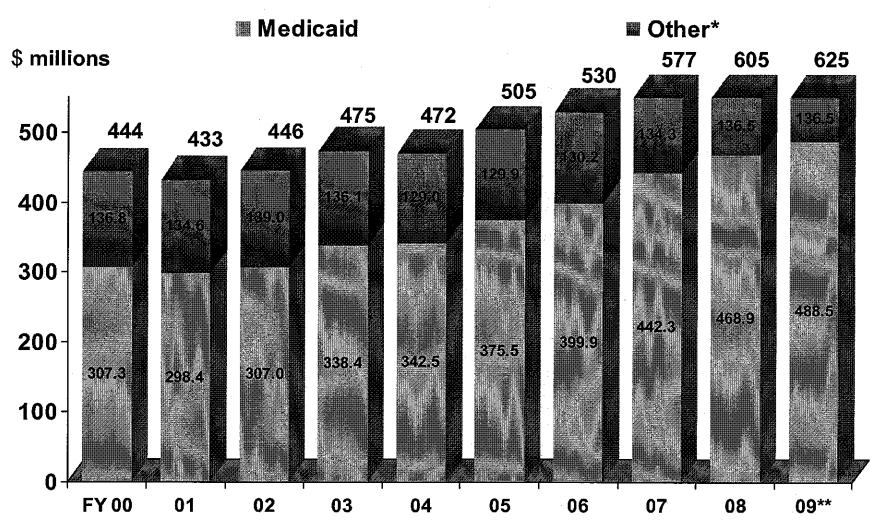
University of Hawaii Operating Appropriations Net of Fringe & Debt Svc



^{*}FY 09 reflects the Executive request.

^{**}FY 08 & 09 reflect enrollment projections, August 2007.

Welfare Payments General Fund Operating Appropriations***

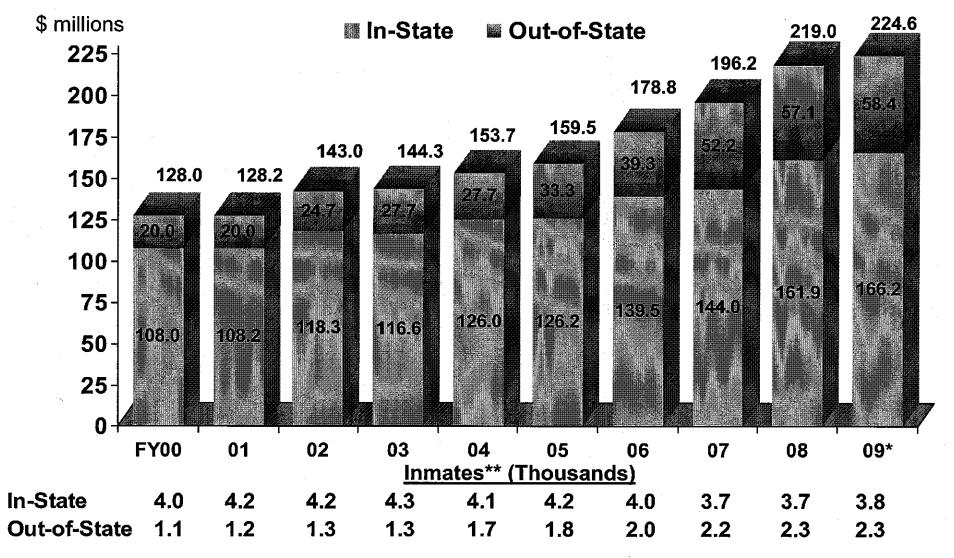


^{*}Includes TANF; TAONF; Child Care; General Assistance; Aged, Blind, & Disabled; and Foster Care

^{**}FY09 reflects the Executive request

^{***}Excludes Housing

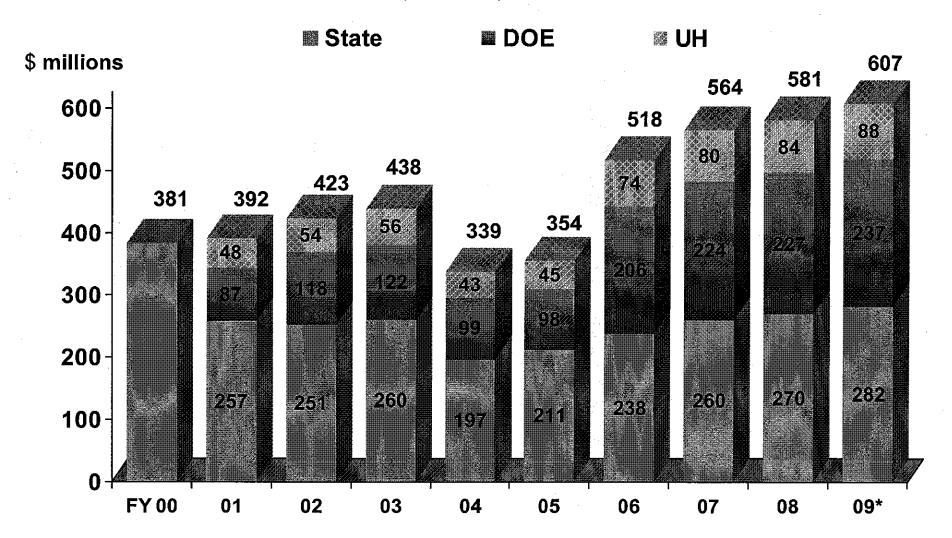
Public Safety General Fund Operating Appropriations



^{*}FY 09 reflects the Executive request.

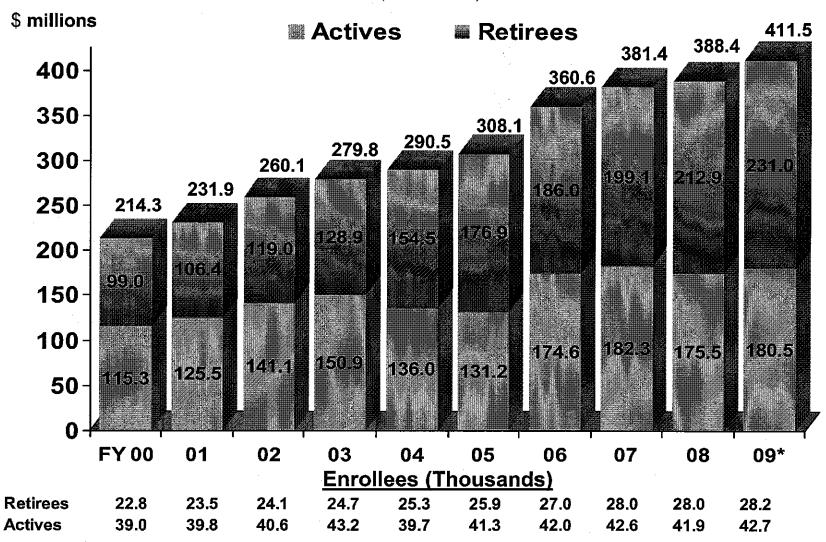
^{**}Reflects assigned count; does not include inmates at the Federal Detention Center in Hawaii.

Debt Service and Certificates of Participation General Fund Operating Appropriations



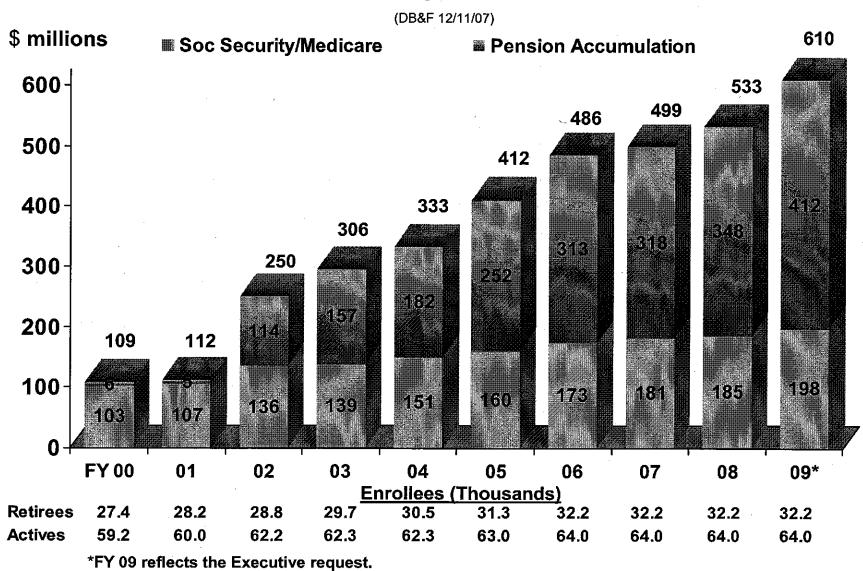
^{*}FY 09 reflects the Executive request.

State Employee and Retiree Health Benefits General Fund Appropriations

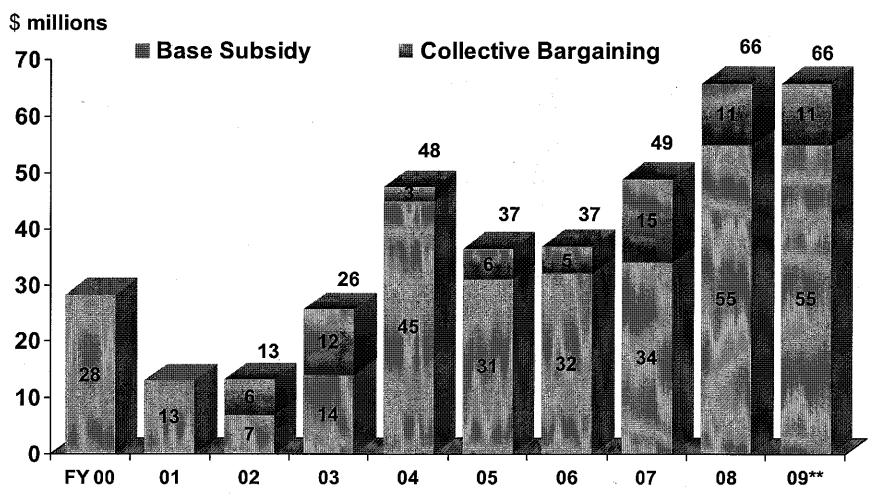


^{*}FY 09 reflects the Executive request.

Public Employees' Retirement System General Fund Appropriations



Hawaii Health Systems Corporation General Fund Operating Appropriations*



^{*}Includes emergency appropriations.

^{**}FY 09 reflects the Executive request.

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